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May 13, 2011

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. ER09-1148-000
Informational Filing of 2011 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 Formula Rate Annual Update (“Annual Update”) for 2011. This 2011 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, 2011 to and including May 31, 2012.¹ This 2011 Annual Update also includes a True-Up Adjustment for the prior Rate Year (June 1, 2010 to and including May 31, 2011) 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 2010 inputs

¹ PJM Interconnection, L.L.C., Open Access Transmission Tariff, Docket No. ER11-2801-000, Attachment H-8H, §§ I.A, III.B (effective Sept. 19, 2010).

² *Id.* § I.N.

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from PPL Electric's 2010 FERC Form No. 1, which was filed with the Commission on April 13, 2011, and other data based on PPL Electric's books and records, and (2) forecasted 2011 capital additions.³ PJM will use the populated template to determine charges for transmission service under Attachment H-8 and Schedule 12-Appendix of the PJM OATT.

As required by the Protocols, no later than May 18, 2011, 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. Concurrent with this filing, PPL Electric also is providing notice on the PJM website 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 2011 Annual Update.⁴ As required by the Protocols, PPL Electric will use its best efforts to notify each of the parties in Docket No. ER08-1457-000, the docket in which PPL Electric's Formula Rate was accepted by the Commission, by electronic mail that the 2011 Annual Update has been posted and describe the time and location of the Annual Meeting.⁵

Pursuant to the Commission's letter order issued on March 19, 2010, in the above-captioned docket, PPL Electric submits its 2011 Annual Update in Docket No. ER09-1148-000 "for informational purposes only."⁶ As the Commission stated, "[u]pon receipt, the Commission will not act on or notice the informational filing because the formula rate implementation protocols provide specific procedures for notice, review, and challenge to the annual updates."⁷

I. SUPPORTING DOCUMENTATION

In addition to the populated Formula Rate template, PPL Electric also submits Exhibits 2 through 5, which contain additional information provided pursuant to the Protocols.

³ *Id.* § III.B(2).

⁴ *Id.* §§ III.C(1)-(2).

⁵ *Id.* § III.C(3).

⁶ *PPL Elec. Utils. Corp.*, Docket No. ER09-1148-000 (Letter Order issued Mar. 19, 2010).

⁷ *Id.*

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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 2010 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), and (3) Post Employment Benefits Other Than Pensions ("PBOP") expenses (PBOP Expenses, Exhibit 2C).

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 2011 Annual Update. There have been no Material Accounting Changes.⁸

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 3A 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 contained in Exhibit 1, submitted on May 15, 2010, as amended on May 18, 2010 in Docket No. ER09-1148-000 for the prior Rate Year.⁹ Included with the variance report is an explanation of significant changes made since the last Annual Update (Exhibit 3B). As set forth in Exhibit 3A, although PPL Electric's annual net zonal revenue requirement decreased by approximately \$1.8 million when compared to the 2010 Annual Update, PPL Electric's network service rate remains relatively unchanged because PPL Electric's zonal peak load has decreased by approximately 200 MW. The decrease in PPL Electric's zonal peak load can be attributed in significant part to state and regional energy saving initiatives, which resulted in savings to network customers through lower overall energy costs.¹⁰

⁸ Material Accounting Changes are defined in Section I.H. of the Protocols.

⁹ *PPL Elec. Utils. Corp.*, 2010 Formula Rate Annual Updates, Docket No. ER09-1148-000 at Exhibit 1 (filed May 18, 2010).

¹⁰ *Appliance Recycling Program Exceeds 15,000 Mark in Its First Year for PPL Electric Utilities*, AP, Nov. 29, 2010 ("PPL Electric Utilities estimates that its customers saved 26,000 megawatt-hours of energy over the past year—enough for 2,600 homes for a year—by

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PPL Electric also submits, as Exhibit 4, a Formula Rate True-up worksheet that replaces 2009 FERC Form No. 1 and other data used in Exhibit 1 of PPL Electric's 2010 Annual Update with data for 2010 based on PPL Electric's 2010 FERC Form No. 1 and other data from PPL Electric's books and records and replaces projected monthly weighted 2010 plant additions and CWIP with actual monthly weighted balances.

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 2011 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 100 percent of Construction Work In Progress ("CWIP"). The Commission has approved inclusion of CWIP in PPL Electric's rate base for the Susquehanna-Roseland Project.¹¹ The actual amount of CWIP recorded as of December 31, 2010 for the Susquehanna-Roseland Project is shown in Step 7 on Attachment 6 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 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>.¹²

participating in the company's E-power appliance recycling program."); *PPL offers C&I customers efficiency rebates*, Electric Power Daily, Mar. 24, 2010 ("PPL Electric . . . has launched a program to give commercial, industrial and institutional customers incentives for installing energy saving measures PPL has about a dozen programs that offer incentives to all sectors of its customer base"); *Free Energy Assessments from PPL Electric Utilities to Help Nonprofits*, AP, Mar. 15, 2011 ("Certain nonprofit organizations served by PPL Electric Utilities can now apply for a free energy assessment to help them increase energy efficiency, reduce electric bills and improve their bottom line.").

¹¹ *PPL Elec. Utils. Corp., et al.*, 123 FERC ¶ 61,068 (2008).

¹² Further information regarding the Susquehanna-Roseland Project may be found at <http://www.pjm.com/planning/rtep-upgrades-status/backbone-status/susquehanna-roseland.aspx>.

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E. Depreciation Expense

Section III(B)(3)(d) of the Protocols requires PPL Electric to provide the most recent annual report filed with the Pennsylvania Public Utility Commission (“PA PUC”) that shows the annual depreciation rates derived from the applicable depreciation and service life study approved for use by the Commission as the basis for calculating such rates. Exhibit 5 is a copy of the annual report filed with the PA PUC on April 10, 2011, in PA PUC Docket No. M-110500.F2009ADR that shows the annual depreciation rates derived from PPL Electric’s most recent depreciation and service life study that was approved by the Commission in Docket No. ER10-152-000 on December 23, 2009.¹³

F. Corrections To Prior Years

As part of the 2010 Annual Update process, PPL Electric identified two items in the 2010 Annual Update that must be changed and accounted for in the 2011 Annual Update. First, PPL Electric improperly included \$2,516,705 of prior period adjustments from Account 924 (Property Insurance) expenses. Exclusion of the prior period adjustments from Account 924 decreases PPL Electric’s ATRR by \$546,423, plus interest. Second, PPL Electric should have excluded from Prepayments the amounts associated with the Pennsylvania Gross Receipt Tax. Removal of the Prepayments associated with the Pennsylvania Gross Receipt Tax reduces PPL Electric’s ATRR by \$6,965, plus interest. Pursuant to Section VII of the Protocols, PPL Electric has reflected these changes, with interest, in the True-Up Adjustment made in this 2011 Annual Update. Specifically, the true-up revenue requirement in cell D104 of Attachment 6 has been reduced by \$572,977 to account for these two adjustments.

PPL Electric also is correcting the methodology used to calculate its revenue requirement for the Susquehanna-Roseland Project in Attachment 7. This revenue requirement is used by PJM to calculate charges for PJM customers under Schedule 12 of the PJM Tariff. In calculating the revenue requirement for the Susquehanna-Roseland Project in prior years, PPL Electric had used a weighted average of the CWIP expenditures, which reflected when the expenditure was made and the amount of the expenditure. However, rather than using a weighted average for CWIP expenditures, PPL Electric should have used a straight thirteen-month average amount of CWIP expenditures to calculate the revenue requirement for the Susquehanna-Roseland Project as required by the Formula Rate template. The

¹³ *PPL Elec. Utils. Corp.*, Docket No. ER10-152-000 (Letter Order issued Dec. 23, 2009).

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result of the miscalculation was an over-collection in Schedule 12 revenues from November 1, 2008 through May 31, 2011 and a corresponding over-crediting of transmission credits to network customers during the same period. PPL Electric has corrected the calculation in the 2011 Annual Update and 2010 True-up adjustment.

The correction for June 1, 2010 through May 31, 2011 is reflected in the 2010 True-up adjustment. PPL Electric also calculated the change in revenue requirement plus interest for each year through May 31, 2010. The result is an over-collection from PJM Schedule 12 Customers of \$530,537. This over collection will be refunded to PJM customers through a process established by PJM to reconcile PPL Electric's annual Schedule 12 revenue requirement. The refund to PJM Schedule 12 customers will result in a reduction in revenue credits for PPL Electric's zonal customers, which will be reflected in PPL Electric's 2012 and 2013 Annual Updates.

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II. CONCLUSION

The enclosed 2011 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 13, 2011. The Protocols provide specific procedures governing notice, requests for information, review and challenge of this 2011 Annual Update. Therefore, no action is required by the Commission regarding this 2011 Annual Update at this time.

If you should have any questions regarding this 2011 Annual Update, please contact the undersigned.

Sincerely,

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PPL Services Corporation
Two North Ninth Street
Allentown, PA 18101

/s/ Donald A. Kaplan
Donald A. Kaplan, Esq.
William M. Keyser, Esq.
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Enclosures

cc: Official Service List in Docket Nos. ER08-1457-000 and ER09-1148-000

EXHIBIT 1

ATTACHMENT H-8G

PPL Electric Utilities Corporation

Formula Rate -- Appendix A

Notes

FERC Form 1 Page # or Instruction

2010 Data

Shaded cells are input cells

Allocators

| | | | |
|---|---|---------------------|-----------------|
| Wages & Salary Allocation Factor | | | |
| 1 | Transmission Wages Expense | p354.21.b | 10,276,562 |
| 2 | Total Wages Expense | p354.28.b | 97,574,951 |
| 3 | Less A&G Wages Expense | p354.27.b | 3,156,446 |
| 4 | Total Wages Less A&G Wages Expense | (Line 2 - Line 3) | 94,418,505 |
| 5 | Wages & Salary Allocator | (Line 1 / Line 4) | 10.8841% |
| Plant Allocation Factors | | | |
| 6 | Electric Plant in Service | p207.104.g | 5,678,598,537 |
| 7 | Accumulated Depreciation (Total Electric Plant) | (Note J) p219.29.c | 2,156,778,191 |
| 8 | Accumulated Amortization | (Note A) p200.21.c | 24,609,510 |
| 9 | Total Accumulated Depreciation | (Line 7 + 8) | 2,181,387,701 |
| 10 | Net Plant | (Line 6 - Line 9) | 3,497,210,836 |
| 11 | Transmission Gross Plant (excluding Land Held for Future Use) | (Line 25 - Line 24) | 1,365,863,492 |
| 12 | Gross Plant Allocator | (Line 11 / Line 6) | 24.0528% |
| 13 | Transmission Net Plant (excluding Land Held for Future Use) | (Line 33 - Line 24) | 836,497,054 |
| 14 | Net Plant Allocator | (Line 13 / Line 10) | 23.9190% |

Plant Calculations

| | | | |
|---------------------------------|---|--------------------------------------|----------------------|
| Plant In Service | | | |
| 15 | Transmission Plant In Service | (Note B) p207.58.g | 1,259,407,293 |
| 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 | 42,781,853 |
| 18 | Total Transmission Plant | (Line 15 - Line 16 + Line 17) | 1,302,189,146 |
| 19 | General | p207.99.g | 529,672,812 |
| 20 | Intangible | p205.5.g | 55,351,295 |
| 21 | Total General and Intangible Plant | (Line 19 + Line 20) | 585,024,107 |
| 22 | Wage & Salary Allocator | (Line 5) | 10.8841% |
| 23 | Total General and Intangible Functionalized to Transmission | (Line 21 * Line 22) | 63,674,345 |
| 24 | Land Held for Future Use | (Note C) (Note P) Attachment 5 | 32,608,502 |
| 25 | Total Plant In Rate Base | (Line 18 + Line 23 + Line 24) | 1,398,471,994 |
| Accumulated Depreciation | | | |
| 26 | Transmission Accumulated Depreciation | (Note J) p219.25.c | 506,375,952 |
| 27 | Accumulated General Depreciation | (Note J) p219.28.c | 186,621,377 |
| 28 | Accumulated Amortization | (Line 8) | 24,609,510 |
| 29 | Total Accumulated Depreciation | (Line 27 + 28) | 211,230,887 |
| 30 | Wage & Salary Allocator | (Line 5) | 10.8841% |
| 31 | Subtotal General and Intangible Accum. Depreciation Allocated to Transmission | (Line 29 * Line 30) | 22,990,486 |
| 32 | Total Accumulated Depreciation | (Sum Lines 26 + 31) | 529,366,438 |
| 33 | Total Net Property, Plant & Equipment | (Line 25 - Line 32) | 869,105,556 |

Adjustment To Rate Base

| | | | |
|---|---|--------------------------------|--------------------|
| Accumulated Deferred Income Taxes | | | |
| 34 | ADIT net of FASB 106 and 109 | Attachment 1 | -102,985,689 |
| CWIP for Incentive Transmission Projects | | | |
| 35 | CWIP Balances for Current Rate Year | (Note H) Attachment 6 | 41,266,820 |
| Prepayments | | | |
| 36 | Prepayments | (Note A) (Note O) Attachment 5 | 8,534,984 |
| Materials and Supplies | | | |
| 37 | Undistributed Stores Expense | (Note A) p227.16.c | 4,151,545 |
| 38 | Wage & Salary Allocator | (Line 5) | 10.8841% |
| 39 | Total Undistributed Stores Expense Allocated to Transmission | (Line 37 * Line 38) | 451,856 |
| 40 | Transmission Materials & Supplies | p227.8.c | 11,855,371 |
| 41 | Total Materials & Supplies Allocated to Transmission | (Line 39 + Line 40) | 12,307,227 |
| Cash Working Capital | | | |
| 42 | Operation & Maintenance Expense | (Line 70) | 54,083,473 |
| 43 | 1/8th Rule | 1/8 | 12.5% |
| 44 | Total Cash Working Capital Allocated to Transmission | (Line 42 * Line 43) | 6,760,434 |
| 45 | Total Adjustment to Rate Base | (Lines 34 + 35 + 36 + 41 + 44) | -34,116,223 |
| 46 | Rate Base | (Line 33 + Line 45) | 834,989,333 |

Operations & Maintenance Expense

| | | | |
|--|--|--|-------------------|
| Transmission O&M | | | |
| 47 | Transmission O&M | Attachment 5 | 112,319,842 |
| 48 | Less Account 565 | Attachment 5 | 76,672,820 |
| 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) | 35,647,022 |
| Allocated Administrative & General Expenses | | | |
| 51 | Total A&G | 323.197b | 163,870,958 |
| 52 | Less: Administrative & General Expenses on Securitization Bonds | (Note O) Attachment 8 | 0 |
| 53 | Plus: Fixed PBOP expense | (Note J) Attachment 5 | 10,028,618 |
| 54 | Less: Actual PBOP expense | Attachment 5 | 7,585,144 |
| 55 | Less Property Insurance Account 924 | p323.185.b | 7,151,502 |
| 56 | Less Regulatory Commission Exp Account 928 | (Note E) p323.189.b | 5,346,917 |
| 57 | Less General Advertising Exp Account 930.1 | p323.191.b | 0 |
| 58 | Less EPRI Dues | (Note D) p352 & 353 | 142,728 |
| 59 | Administrative & General Expenses | Sum (Lines 51 + 53) - Line 52 - Sum (Lines 54 to 58) | 153,673,285 |
| 60 | Wage & Salary Allocator | (Line 5) | 10.8841% |
| 61 | Administrative & General Expenses Allocated to Transmission | (Line 59 * Line 60) | 16,725,885 |
| 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 | 7,151,502 |
| 66 | General Advertising Exp Account 930.1 | (Note F) Attachment 5 | 0 |
| 67 | Total Accounts 924 and 930.1 - General | (Line 65 + Line 66) | 7,151,502 |
| 68 | Net Plant Allocator | (Line 14) | 23.9190% |
| 69 | A&G Directly Assigned to Transmission | (Line 67 * Line 68) | 1,710,566 |
| 70 | Total Transmission O&M | (Lines 50 + 61 + 64 + 69) | 54,083,473 |

Depreciation & Amortization Expense

| | | | | |
|-----------------------------|--|----------|------------------------|-------------------|
| Depreciation Expense | | | | |
| 71 | Transmission Depreciation Expense Including Amortization of Limited Term Plant | (Note J) | Attachment 5 | 20,801,072 |
| 72 | General Depreciation Expense Including Amortization of Limited Term Plant | (Note J) | Attachment 5 | 16,012,484 |
| 73 | Intangible Amortization | (Note A) | p336.1.d&e | 8,471,296 |
| 74 | Total | | (Line 72 + Line 73) | 24,483,780 |
| 75 | Wage & Salary Allocator | | (Line 5) | 10.8841% |
| 76 | General Depreciation & Intangible Amortization Allocated to Transmission | | (Line 74 * Line 75) | 2,664,828 |
| 77 | Total Transmission Depreciation & Amortization | | (Lines 71 + 76) | 23,465,900 |

Taxes Other than Income Taxes

| | | | | |
|----|--|--|------------------|------------------|
| 78 | Taxes Other than Income Taxes | | Attachment 2 | 2,767,051 |
| 79 | Total Taxes Other than Income Taxes | | (Line 78) | 2,767,051 |

Return \ Capitalization Calculations

| | | | | |
|---------------------------|---|------------------------------|-----------------------------|----------------------|
| Long Term Interest | | | | |
| 80 | Long Term Interest | | p117.62.c through 66.c | 96,707,752 |
| 81 | Less LTD Interest on Securitization Bonds | (Note O) | Attachment 8 | 0 |
| 82 | Long Term Interest | | (Line 80 - Line 81) | 96,707,752 |
| 83 | Preferred Dividends | enter positive | p118.29.c | 16,331,327 |
| Common Stock | | | | |
| 84 | Proprietary Capital | | p112.16.c | 1,942,999,979 |
| 85 | Less Accumulated Other Comprehensive Income Account 219 | | p112.15.c | 81,345 |
| 86 | Less Preferred Stock | | (Line 94) | 250,000,000 |
| 87 | Less Account 216.1 | | p112.12.c | 2,754,990 |
| 88 | Common Stock | | (Line 84 - 85 - 86 - 87) | 1,690,163,644 |
| Capitalization | | | | |
| 89 | Long Term Debt | | p112.18.c, 19.c & 21.c | 1,474,040,000 |
| 90 | Less Loss on Reacquired Debt | | p111.81.c | 27,466,008 |
| 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) | 1,446,573,992 |
| 94 | Preferred Stock | | p112.3.c | 250,000,000 |
| 95 | Common Stock | | (Line 88) | 1,690,163,644 |
| 96 | Total Capitalization | | (Sum Lines 93 to 95) | 3,386,737,636 |
| 97 | Debt % | Total Long Term Debt | (Line 93 / Line 96) | 42.7% |
| 98 | Preferred % | Preferred Stock | (Line 94 / Line 96) | 7.4% |
| 99 | Common % | Common Stock | (Line 95 / Line 96) | 49.9% |
| 100 | Debt Cost | Total Long Term Debt | (Line 82 / Line 93) | 0.0669 |
| 101 | Preferred Cost | Preferred Stock | (Line 83 / Line 94) | 0.0653 |
| 102 | Common Cost | Common Stock | (Note J) Fixed | 0.1168 |
| 103 | Weighted Cost of Debt | Total Long Term Debt (WCLTD) | (Line 97 * Line 100) | 0.0286 |
| 104 | Weighted Cost of Preferred | Preferred Stock | (Line 98 * Line 101) | 0.0048 |
| 105 | Weighted Cost of Common | Common Stock | (Line 99 * Line 102) | 0.0583 |
| 106 | Rate of Return on Rate Base (ROR) | | (Sum Lines 103 to 105) | 0.0917 |
| 107 | Investment Return = Rate Base * Rate of Return | | (Line 46 * Line 106) | 76,540,502 |

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 | $T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$ | 41.49% |
| 112 | T / (1-T) | | 70.92% |
| ITC Adjustment | | | |
| 113 | Amortized Investment Tax Credit - Transmission Related | | Attachment 5 |
| 114 | ITC Adjust. Allocated to Trans. - Grossed Up | ITC Adjustment x 1 / (1-T) | Line 113 * (1 / (1 - Line 111)) |
| 115 | Income Tax Component = | $(T/1-T) * \text{Investment Return} * (1-(WCLTD/ROR)) =$ | [Line 112 * Line 107 * (1- (Line 103 / Line 106))] |
| 116 | Total Income Taxes | | (Line 114 + Line 115) |

Revenue Requirement

| Summary | | | |
|---------|--|--|-------------------------------|
| 117 | Net Property, Plant & Equipment | | (Line 33) |
| 118 | Total Adjustment to Rate Base | | (Line 45) |
| 119 | Rate Base | | (Line 46) |
| 120 | Total Transmission O&M | | (Line 70) |
| 121 | Total Transmission Depreciation & Amortization | | (Line 77) |
| 122 | Taxes Other than Income | | (Line 79) |
| 123 | Investment Return | | (Line 107) |
| 124 | Income Taxes | | (Line 116) |
| 125 | Gross Revenue Requirement | | (Sum Lines 120 to 124) |

Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities

| | | | |
|-----|---|----------|-----------------------|
| 126 | Transmission Plant In Service | | (Line 15) |
| 127 | Excluded Transmission Facilities | (Note M) | Attachment 5 |
| 128 | Included Transmission Facilities | | (Line 126 - Line 127) |
| 129 | Inclusion Ratio | | (Line 128 / Line 126) |
| 130 | Gross Revenue Requirement | | (Line 125) |
| 131 | Adjusted Gross Revenue Requirement | | (Line 129 * Line 130) |

Revenue Credits

| | | | |
|-----|--------------------------------|--|------------------------------|
| 132 | Revenue Credits | | Attachment 3 |
| 133 | Net Revenue Requirement | | (Line 131 - Line 132) |

Net Plant Carrying Charge

| | | | |
|-----|--|--|---|
| 134 | Gross Revenue Requirement | | (Line 130) |
| 135 | Net Transmission Plant | | (Line 18 - Line 26 + Line 35) |
| 136 | Net Plant Carrying Charge | | (Line 134 / Line 135) |
| 137 | Net Plant Carrying Charge without Depreciation | | (Line 134 - Line 71) / Line 135 |
| 138 | Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes | | (Line 134 - Line 71 - Line 107 - Line 116) / Line 135 |

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) |
| 140 | Increased Return and Taxes | | Attachment 4 |
| 141 | Net Revenue Requirement per 100 Basis Point increase in ROE | | (Line 139 + Line 140) |
| 142 | Net Transmission Plant | | (Line 18 - Line 26 + Line 35) |
| 143 | Net Plant Carrying Charge per 100 Basis Point increase in ROE | | (Line 141 / Line 142) |
| 144 | Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation | | (Line 141 - Line 71) / Line 142 |

Net Revenue Requirement

| | | | |
|-----|---|--|------------------------|
| 145 | Net Revenue Requirement | | (Line 133) |
| 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) |

Network Zonal Service Rate

| | | | |
|-----|-------------------|----------|------------------|
| 149 | 1 CP Peak | (Note L) | PJM Data |
| 150 | Rate (\$/MW-Year) | | (Line 148 / 149) |

| | | | |
|-----|--|--|-------------------|
| 151 | Network Service Rate (\$/MW/Year) | | (Line 150) |
|-----|--|--|-------------------|

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.
- 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) | 1,353,824 | | |
| 2 PURTA | 4,436,933 | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 Total Plant Related | 5,790,757 | 23.9190% | 1,385,090 |
| Labor Related | | | |
| Wages & Salary Allocator | | | |
| 9 Federal FICA | 6,972,144 | | |
| 10 Federal Unemployment | 67,194 | | |
| 11 State Unemployment | 285,060 | | |
| 12 | | | |
| 13 | | | |
| 14 Total Labor Related | 7,324,398 | 10.8841% | 797,192 |
| Other Included | | | |
| Net Plant Allocator | | | |
| 15 PA Capital Stock Tax | 2,444,794 | | |
| 16 Local Franchise & Liscense Tax | 0 | | |
| 17 PA Capital Stock Tax on Securitization Bonds (Source: Attachment 8) | 0 | | |
| 18 | | | |
| 19 Total Other Included | 2,444,794 | 23.9190% | 584,770 |
| 20 Total Included (Lines 8 + 14 + 19) | 15,559,949 | | 2,767,051 |
| Currently Excluded | | | |
| 21 Gross Receipts | 129,299,955 | | |
| 22 Sales and Use | 369,995 | | |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | | | |
| 27 | | | |
| 28 Subtotal, Excluded | 129,669,950 | | |
| 29 Total, Included and Excluded (Line 20 + Line 28) | 145,229,899 | | |
| 30 Total Other Taxes from p114.14.c less Tax on Securitization Bonds | 145,229,899 | | |
| 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 | 1,123,506 |
| Account 456 - Other Electric Revenues (Note 1) | | |
| 2 | Transmission for Others (Note 3) | - |
| 3 | Schedule 12 Revenues (Note 3) | 6,323,744 |
| 4 | Schedule 1A | 2,716,498 |
| 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) | 2,842,806 |
| 7 | Professional Services provided to others | 2,062,849 |
| 8 | Facilities Charges including Interconnection Agreements (Note 2) | 1,761,706 |
| 9 | Gross Revenue Credits (Sum Lines 1-10) | 16,831,109 |
| 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 | 120,156,227 |
| B | 100 Basis Point increase in ROE | | 1.00% |

Return Calculation

| | | Appendix A Line or Source Reference | |
|---------------------------|---|-------------------------------------|----------------------|
| 1 | Rate Base | (Attachment A Line 46) | 834,989,333 |
| Long Term Interest | | | |
| 2 | Long Term Interest | (Attachment A Line 80) | 96,707,752 |
| 3 | Less LTD Interest on Securitization Bonds | Attachment 8 | - |
| 4 | Long Term Interest | (Line 2 - Line 3) | 96,707,752 |
| 5 | Preferred Dividends | enter positive | p118.29.c |
| | | | 16,331,327 |
| Common Stock | | | |
| 6 | Proprietary Capital | p112.16.c | 1,942,999,979 |
| 7 | Less Accumulated Other Comprehensive Income Account 219 | p112.15.c | 81,345 |
| 8 | Less Preferred Stock | (Attachment A Line 86) | 250,000,000 |
| 9 | Less Account 216.1 | p112.12.c | 2,754,990 |
| 10 | Common Stock | (Line 6 - 7 - 8 - 9) | 1,690,163,644 |
| Capitalization | | | |
| 11 | Long Term Debt | p112.18.c, 19.c & 21.c | 1,474,040,000 |
| 12 | Less Loss on Reacquired Debt | p111.81.c | 27,466,008 |
| 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) | 1,446,573,992 |
| 16 | Preferred Stock | p112.3.c | 250,000,000 |
| 17 | Common Stock | (Line 10) | 1,690,163,644 |
| 18 | Total Capitalization | (Sum Lines 15 to 17) | 3,386,737,636 |
| 19 | Debt % | Total Long Term Debt | (Line 15 / Line 18) |
| | | | 42.7% |
| 20 | Preferred % | Preferred Stock | (Line 16 / Line 18) |
| | | | 7.4% |
| 21 | Common % | Common Stock | (Line 17 / Line 18) |
| | | | 49.9% |
| 22 | Debt Cost | Total Long Term Debt | (Line 4 / Line 15) |
| | | | 0.0669 |
| 23 | Preferred Cost | Preferred Stock | (Line 5 / Line 16) |
| | | | 0.0653 |
| 24 | Common Cost | Common Stock | Fixed |
| | | | 0.1268 |
| 25 | Weighted Cost of Debt | Total Long Term Debt (WCLTD) | (Line 19 * Line 22) |
| | | | 0.0286 |
| 26 | Weighted Cost of Preferred | Preferred Stock | (Line 20 * Line 23) |
| | | | 0.0048 |
| 27 | Weighted Cost of Common | Common Stock | (Line 21 * Line 24) |
| | | | 0.0633 |
| 28 | Rate of Return on Rate Base (ROR) | | (Sum Lines 25 to 27) |
| | | | 0.0967 |
| 29 | Investment Return = Rate Base * Rate of Return | (Line 1 * Line 28) | 80,707,547 |

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 | (515,054) |
| 37 | ITC Adjust. Allocated to Trans. - Grossed Up | (Line 36 * (1 / (1 - Line 33)) | -880,336 |
| 38 | Income Tax Component = | $CIT=(T/(1-T)) * Investment Return * (1-(WCLTD/R)) =$ | 40,329,016 |
| 39 | Total Income Taxes | | 39,448,680 |

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 | -1,708,088 | -515,054 | -1,193,034 | 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) p.214.d - p214.6.d & Company Records (Note P) Company Records | 36,267,188 | 27,772,086 0 27,772,086 | 4,836,416 0 4,836,416 | 3,658,686 | 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 |

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 | | | |
| 54 | Actual PBOP expense | Company Records | 7,585,144 | | | Current year actual PBOP expense |
| 65 | Property Insurance Account 924 | p323.185.b | 7,151,502 | 0 | 7,151,502 | Annual Premium associated with storm insurance excluding recoveries related to prior periods. (See FM 1 note to page 320 line 185) |

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 | 5,346,917 | 0 | 5,346,917 | |

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 |
|--|--|-------------------------------------|--|
| 127 | Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities Excluded Transmission Facilities (Note M) Instructions: 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 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 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 | Enter \$ 0 Or Enter \$ | General Description of the Facilities None 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 Prepayments (Note A) (Note O) Form 1 -- p111.57.c | 136,559,252 | 0 | 58,141,933 | 78,417,319 | 10.8841% | 8,534,984 | 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 | 112,323,875 | 4,033 | 112,319,842 | Adjustment for Ancillary Services p321.88b and p321.92b. |
| 48 | Less Account 565 p.321.96.b | 76,672,820 | 0 | 76,672,820 | 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 |
|--|---|--------|---------------------------------|
| 147 | Net Revenue Requirement 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 |
|--|--|-----------|---------------------------------|
| 149 | Network Zonal Service Rate 1 CP Peak (Note L) PJM Data | 7,411.0 | |

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 2005 | Year 2 2006 | Year 3 2007 | Year 4 2008 | Year 5 2009 | | |
| 71 | Transmission Depreciation Expense Including Amortization of Limited Term Plant (Note J) Company Records | 18,840,995 | | | | | | | |
| | Transmission Plant Cost of Removal, Net of Salvage (Note J) Company Records | 1,960,077 | 1,620,600 | 2,266,216 | 2,115,176 | 1,443,339 | 2,355,054 | 9,800,385 | 1,960,077 |
| | Total Transmission Depreciation Expense Including Amortization of Limited Term I (Note J) Company Records | 20,801,072 | | | | | | | |
| 72 | General Depreciation Expense Including Amortization of Limited Term Plant (Note J) Company Records | 16,266,676 | | | | | | | |
| | General Plant Cost of Removal, Net of Salvage (Note J) Company Records | -254,192 | 57,722 | 2,887,440 | -1,060,220 | -929,336 | -2,226,567 | -1,270,961 | -254,192 |
| | Total General Depreciation Expense Including Amortization of Limited Term Plant (Note J) Company Records | 16,012,484 | | | | | | | |

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 CWIP 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 CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year)
- 8 April Year 3 TO estimates Cap Adds and CWIP 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)
\$ 153,498,083 Rev Req based on Year 1 data Must run Appendix A to get this number (without inputs in lines 16, 17 or 35 of Appendix A)

2 April Year 2 TO estimates all transmission Cap Adds and CWIP 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) |
|---|---|-------------------|--|---|---|--|-----------|--|----------------|---|--|--|---|
| | Monthly Additions Other Plant In Service | Monthly Additions | Monthly Additions Susq-Rose CWIP < 500KV (b0487.1) | Monthly Additions Susq-Rose PIS < 500KV (b0487.1) | Monthly Additions Susq-Rose CWIP >= 500KV (b0487) | Monthly Additions Susq-Rose PIS >= 500KV (b0487) | Weighting | Other Plant In Service Amount (A x G) | Amount (B x G) | Susq-Rose CWIP Amount (C x G) < 500KV (b0487.1) | Susq-Rose PIS Amount (D x G) < 500KV (b0487.1) | Susq-Rose CWIP Amount (E x G) >= 500KV (b0487) | Susq-Rose PIS Amount (F x G) >= 500KV (b0487) |
| CWIP Balance Dec (prior yr.) | | | 395,068 | | 25,703,638 | | 12 | | | 4,740,816 | | 308,443,656 | |
| Jan | 934,689 | | 52,662 | | 1,012,913 | | 11.5 | 10,748,924 | - | 605,613 | - | 11,648,500 | - |
| Feb | 1,377,045 | | 108,808 | | 748,032 | | 10.5 | 14,458,976 | - | 1,142,484 | - | 7,854,336 | - |
| Mar | 1,309,997 | | 104,055 | | 927,878 | | 9.5 | 12,444,975 | - | 988,523 | - | 8,814,841 | - |
| Apr | 355,110 | | 84,496 | | 1,058,325 | | 8.5 | 3,018,432 | - | 718,216 | - | 8,995,763 | - |
| May | 3,085,919 | | 72,279 | | 1,141,985 | | 7.5 | 23,144,392 | - | 542,095 | - | 8,564,890 | - |
| Jun | 5,706,826 | | 281,847 | | 1,348,287 | | 6.5 | 37,094,368 | - | 1,832,004 | - | 8,763,865 | - |
| Jul | 7,974,811 | | 64,972 | | 1,314,019 | | 5.5 | 43,861,462 | - | 357,348 | - | 7,227,105 | - |
| Aug | 589,184 | | 482,036 | | 2,277,626 | | 4.5 | 2,651,329 | - | 2,169,160 | - | 10,249,317 | - |
| Sep | 355,110 | | 215,668 | | 1,646,630 | | 3.5 | 1,242,884 | - | 754,836 | - | 5,763,206 | - |
| Oct | 1,166,639 | | 443,181 | | 1,575,859 | | 2.5 | 2,916,596 | - | 1,107,953 | - | 3,939,646 | - |
| Nov | 14,475,343 | | 224,182 | | 2,680,318 | | 1.5 | 21,713,014 | - | 336,273 | - | 4,020,477 | - |
| Dec | 21,152,889 | | 76,941 | | 857,137 | | 0.5 | 10,576,444 | - | 38,471 | - | 428,568 | - |
| Total | 58,483,561 | | 2,606,195 | | 42,292,647 | | | 183,871,796 | - | 15,333,791 | - | 394,714,169 | - |
| New Transmission Plant Additions and CWIP (weighted by months in service) | | | | | | | | | | | | | |

Input to Line 17 of Appendix A
Input to Line 35 of Appendix A
Month In Service or Month for CWIP

3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
\$ 160,395,305 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
\$ 160,395,305 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)
\$ 160,395,305

6 April Year 3 TO populates the formula with Year 2 data from FERC Form No. 1 for Year 2 (e.g., 2008)
\$ 164,882,058 Rev Req based on Prior Year data **Must run Appendix A to get this number (without inputs in lines 16, 17 or 35 of Appendix A)**

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 CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year)

Remove all Cap Adds placed in service in Year 2
For Reconciliation only - remove actual New Transmission Plant Additions for Year 2 \$ 85,314,425 Input to Formula Line 16

Add weighted Cap Adds actually placed in service in Year 2

| | (A) Monthly Additions Other Plant In Service | (B) | (C) Monthly Additions Susq-Rose CWIP < 500KV (b0487.1) | (D) Monthly Additions Susq-Rose PIS < 500KV (b0487.1) | (E) Monthly Additions Susq-Rose CWIP >= 500KV (b0487) | (F) Monthly Additions Susq-Rose PIS >= 500KV (b0487) | (G) Weighting | (H) Other Plant In Service Amount (A x G) | (I) 0 Amount (B x G) 0 | (J) Susq-Rose CWIP Amount (C x G) < 500KV (b0487.1) | (K) Susq-Rose PIS Amount (D x G) < 500KV (b0487.1) | (L) Susq-Rose CWIP Amount (E x G) >= 500KV (b0487) | (M) Susq-Rose PIS Amount (F x G) >= 500KV (b0487) |
|------------------------------|--|-----|---|--|--|---|------------------|---|---------------------------------|--|---|---|--|
| CWIP Balance Dec (prior yr.) | | | 395,068 | | 25,703,638 | | 12 | | | 4,740,816 | | 308,443,656 | |
| Jan | 371,722 | | 52,662 | | 449,949 | | 11.5 | 4,274,799 | | 605,613 | | 5,174,414 | 6,474,125 |
| Feb | 1,378,042 | | 108,808 | | 749,030 | | 10.5 | 14,469,438 | | 1,142,484 | | 7,864,815 | (10,461) |
| Mar | 1,309,997 | | 104,055 | | 927,878 | | 9.5 | 12,444,975 | | 988,523 | | 8,814,841 | - |
| Apr | 487,797 | | 84,496 | | 1,058,290 | | 8.5 | 5,846,273 | | 718,216 | | 8,995,465 | - |
| May | 1,751,524 | | 161,662 | | 1,131,056 | | 7.5 | 13,136,427 | | 1,212,465 | | 8,482,920 | - |
| Jun | 8,894,133 | | 467,329 | | 2,008,770 | | 6.5 | 57,811,862 | | 3,037,639 | | 13,057,005 | - |
| Jul | 10,805,887 | | 208,304 | | 1,549,463 | | 5.5 | 59,432,379 | | 1,145,672 | | 8,522,047 | - |
| Aug | 3,607,193 | | -39,784 | 653,882 | 1,902,556 | | 4.5 | 16,232,369 | | (1,619,027) | 2,942,468 | 8,561,502 | - |
| Sep | 4,356,739 | | 53,326 | 299,599 | 1,095,387 | | 3.5 | 15,248,587 | | 186,641 | 1,048,597 | 3,833,855 | - |
| Oct | 7,466,478 | | 398,088 | 14,562 | 1,679,263 | | 2.5 | 18,666,195 | | 995,220 | 36,405 | 4,198,158 | - |
| Nov | 11,031,371 | | -853,442 | 1,049,167 | 925,161 | | 1.5 | 16,547,057 | | (1,280,163) | 1,573,750 | 1,387,742 | - |
| Dec | 29,809,480 | | -155,862 | 120,983 | 1,350,998 | | 0.5 | 14,904,740 | | (77,931) | 60,491 | 675,499 | 572,949 |
| Total | 81,470,362 | | 664,710 | 2,138,193 | 40,531,439 | | | 249,015,101 | | 11,796,167 | 5,661,712 | 388,011,917 | 7,036,613 |

New Transmission Plant Additions and CWIP (weighted by months in service)

Input to Line 17 of Appendix A
Input to Line 35 of Appendix A
Month In Service or Month for CWIP

\$ 160,510,009 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 in)

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
159,937,032 - 160,395,305 = (458,273)

Interest on Amount of Refunds or Surcharges
Interest rate pursuant to 35.19a for March of the Current Yr 0.2800%

| Month | Yr | 1/12 of Step 8 (See Note #1) | Interest rate for March of the Current Yr | Months | Interest | Surcharge (Refund) Owed |
|-------|--------|---------------------------------|--|--------|----------|-------------------------|
| Jun | Year 1 | (38,189) | 0.2800% | 11.5 | (1,230) | (39,419) |
| Jul | Year 1 | (38,189) | 0.2800% | 10.5 | (1,123) | (39,312) |
| Aug | Year 1 | (38,189) | 0.2800% | 9.5 | (1,016) | (39,205) |
| Sep | Year 1 | (38,189) | 0.2800% | 8.5 | (909) | (39,098) |
| Oct | Year 1 | (38,189) | 0.2800% | 7.5 | (802) | (38,991) |
| Nov | Year 1 | (38,189) | 0.2800% | 6.5 | (695) | (38,884) |
| Dec | Year 1 | (38,189) | 0.2800% | 5.5 | (588) | (38,777) |
| Jan | Year 2 | (38,189) | 0.2800% | 4.5 | (481) | (38,671) |
| Feb | Year 2 | (38,189) | 0.2800% | 3.5 | (374) | (38,564) |
| Mar | Year 2 | (38,189) | 0.2800% | 2.5 | (267) | (38,457) |
| Apr | Year 2 | (38,189) | 0.2800% | 1.5 | (160) | (38,350) |
| May | Year 2 | (38,189) | 0.2800% | 0.5 | (53) | (38,243) |
| Total | | (458,273) | | | | (465,972) |

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 Nov Year 1 through May Year 2.

| | Balance | Interest rate from above | Amortization over Rate Year | Balance |
|-----|-----------|--------------------------|-----------------------------|-----------|
| Jun | (465,972) | 0.2800% | (39,541) | (427,735) |
| Jul | (427,735) | 0.2800% | (39,541) | (389,391) |
| Aug | (389,391) | 0.2800% | (39,541) | (350,940) |
| Sep | (350,940) | 0.2800% | (39,541) | (312,382) |
| Oct | (312,382) | 0.2800% | (39,541) | (273,715) |
| Nov | (273,715) | 0.2800% | (39,541) | (234,940) |
| Dec | (234,940) | 0.2800% | (39,541) | (196,057) |
| Jan | (196,057) | 0.2800% | (39,541) | (157,064) |
| Feb | (157,064) | 0.2800% | (39,541) | (117,963) |
| Mar | (117,963) | 0.2800% | (39,541) | (78,752) |
| Apr | (78,752) | 0.2800% | (39,541) | (39,431) |
| May | (39,431) | 0.2800% | (39,541) | 0 |

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest (474,496)
Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 9) \$ -
Revenue Requirement for Year 3 (474,496)

9 April Year 3 TO estimates Cap Adds and CWIP during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2009)

| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|---|---|---|--|---|---|--|-----------|--|--|---|--|--|---|
| | Monthly Additions Other Plant In Service | Monthly Additions Stanton 4th Transformer (b0791) | Monthly Additions Susq-Rose CWIP < 500kV (b0487.1) | Monthly Additions Susq-Rose PIS < 500kV (b0487.1) | Monthly Additions Susq-Rose CWIP >= 500kV (b0487) | Monthly Additions Susq-Rose PIS >= 500kV (b0487) | Weighting | Other Plant In Service Amount (A x G) | Stanton 4th Transformer Amount (B x G) (b0791) | Susq-Rose CWIP Amount (C x G) < 500kV (b0487.1) | Susq-Rose PIS Amount (D x G) < 500kV (b0487.1) | Susq-Rose CWIP Amount (E x G) >= 500kV (b0487) | Susq-Rose PIS Amount (F x G) >= 500kV (b0487) |
| CWIP Balance Dec (prior yr.) | | | 664,710 | | 40,531,439 | | 12 | | | 7,976,524 | | 486,377,274 | |
| Jan | 5,012,105 | | (10,746) | 14,686 | 774,766 | | 11.5 | 57,639,213 | - | (123,580) | 168,889 | 8,909,809 | (7,749) |
| Feb | 12,923,472 | | (332,227) | 357,331 | 330,990 | | 10.5 | 135,696,451 | - | (3,488,382) | 3,751,976 | 3,475,395 | 3,255,526 |
| Mar | 11,766,770 | | (1,272) | 1,291 | 704,342 | | 9.5 | 111,784,311 | - | (12,083) | 12,269 | 6,691,248 | 87,188 |
| Apr | 12,516,889 | | 775 | 1,974 | 194,432 | | 8.5 | 106,393,556 | - | 6,588 | 16,781 | 1,652,672 | 4,983,660 |
| May | 2,556,664 | | 22,069 | - | (2,363,222) | | 7.5 | 19,174,977 | - | 165,521 | - | (17,724,165) | 19,875,000 |
| Jun | 1,564,943 | | (80,000) | 80,000 | 47,905 | | 6.5 | 10,172,129 | - | (520,000) | 520,000 | 311,380 | 390,000 |
| Jul | 1,121,634 | | - | - | 54,566 | | 5.5 | 6,168,989 | - | - | - | 300,114 | - |
| Aug | 617,324 | | - | - | 99,261 | | 4.5 | 2,777,957 | - | - | - | 446,676 | - |
| Sep | 617,324 | | - | - | 52,739 | | 3.5 | 2,160,634 | - | - | - | 184,588 | - |
| Oct | 712,363 | | - | - | 114,487 | | 2.5 | 1,780,909 | - | - | - | 286,217 | - |
| Nov | 10,033,584 | 3,084,593 | - | - | 63,745 | | 1.5 | 15,050,376 | 4,626,890 | - | - | 95,617 | - |
| Dec | 13,804,615 | | - | - | 380,870 | | 0.5 | 6,902,307 | - | - | - | 190,435 | - |
| Total | 73,247,686 | 3,084,593 | 263,310 | 455,283 | 40,986,320 | 3,614,867 | | 475,701,808 | 4,626,890 | 4,004,586 | 4,469,916 | 491,197,259 | 28,583,624 |
| New Transmission Plant Additions and CWIP (weighted by months in service) | | | | | | | | | | | | | |

Input to Line 17 of Appendix A
Input to Line 35 of Appendix A
Month In Service or Month for CWIP

10 May Year 3 Post results of Step 9 on PJM web site
\$ 176,519,180 Post results of Step 3 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)
\$ 176,519,180

| (N) Other Plant In Service (H / I 12) | (O) 0 (I / I 12) (b0171.2) | (P) Susq-Rose CWIP (J / I 12) < 500kV (b0487.1) | (Q) Susq-Rose PIS (K / I 12) < 500kV (b0487.1) | (R) Susq-Rose CWIP (L / I 12) >= 500kV (b0487) | (S) Susq-Rose PIS (M / I 12) >= 500kV (b0487) | Total |
|---|-------------------------------------|--|---|---|--|------------|
| | | 395,068 | | 25,703,638 | | |
| 895,744 | - | 50,468 | - | 970,708 | - | |
| 1,204,915 | - | 95,207 | - | 654,528 | - | |
| 1,037,081 | - | 82,377 | - | 734,570 | - | |
| 251,536 | - | 59,851 | - | 749,647 | - | |
| 1,928,699 | - | 45,175 | - | 713,741 | - | |
| 3,091,197 | - | 152,667 | - | 730,322 | - | |
| 3,655,122 | - | 29,779 | - | 602,259 | - | |
| 220,944 | - | 180,763 | - | 854,110 | - | |
| 103,574 | - | 62,903 | - | 480,267 | - | |
| 243,050 | - | 92,329 | - | 328,304 | - | |
| 1,809,418 | - | 28,023 | - | 335,040 | - | |
| 881,370 | - | 3,206 | - | 35,714 | - | |
| 15,322,650 | - | 1,277,816 | - | 32,892,847 | - | - |
| 15,322,650 | - | | - | | - | 15,322,650 |
| 8.86 | #DIV/0! | 1,277,816 6.12 | - | 32,892,847 2.67 | - | 34,170,663 |

| (N) Other Plant In Service (H / I 2) | (O) 0 (I / I 2) (b0171.2) | (P) Susq-Rose CWIP (J / I 2) < 500kV (b0487.1) | (Q) Susq-Rose PIS (K / I 2) < 500kV (b0487.1) | (R) Susq-Rose CWIP (L / I 2) >= 500kV (b0487) | (S) Susq-Rose PIS (M / I 2) >= 500kV (b0487) | Total |
|--|------------------------------------|---|--|--|---|------------|
| | | 395,068 | | 25,703,638 | | |
| 356,233 | - | 50,468 | - | 431,201 | 539,510 | |
| 1,205,786 | - | 95,207 | - | 655,401 | (872) | |
| 1,037,081 | - | 82,377 | - | 734,570 | - | |
| 487,189 | - | 59,851 | - | 749,622 | - | |
| 1,094,702 | - | 101,039 | - | 706,910 | - | |
| 4,817,655 | - | 253,137 | - | 1,088,084 | - | |
| 4,952,698 | - | 95,473 | - | 710,171 | - | |
| 1,352,697 | - | (134,919) | 245,206 | 713,459 | - | |
| 1,270,716 | - | 15,553 | 87,383 | 319,488 | - | |
| 1,555,516 | - | 82,935 | 3,034 | 349,846 | - | |
| 1,378,921 | - | (106,680) | 131,146 | 115,645 | - | |
| 1,242,062 | - | (6,494) | 5,041 | 56,292 | 47,746 | |
| 20,751,258 | - | 983,014 | 471,809 | 32,334,326 | 586,384 | |
| 20,751,258 | - | | 471,809 | | 586,384 | 21,809,452 |
| | | 983,014 | | 32,334,326 | | 33,317,340 |
| 8.94 | - | (5.75) | 9.35 | 2.43 | 7.88 | |

| (N) Other Plant In Service (H / I 2) | (O) Stanton 4th Transformer (I / I 2) (b0791) | (P) Susq-Rose CWIP (J / I 2) < 500kV (b0487.1) | (Q) Susq-Rose PIS (K / I 2) < 500kV (b0487.1) | (R) Susq-Rose CWIP (L / I 2) >= 500kV (b0487) | (S) Susq-Rose PIS (M / I 2) >= 500kV (b0487) | Total |
|--|--|---|--|--|---|------------|
| | | 664,710 | | 40,531,439 | | |
| 4,803,268 | - | (10,298) | 14,074 | 742,484 | (646) | |
| 11,308,038 | - | (290,699) | 312,665 | 289,616 | 271,294 | |
| 9,315,359 | - | (1,007) | 1,022 | 557,604 | 7,266 | |
| 8,866,130 | - | 549 | 1,398 | 137,723 | 415,305 | |
| 1,597,915 | - | 13,793 | - | (1,477,014) | 1,656,250 | |
| 847,677 | - | (43,333) | 43,333 | 25,948 | 32,500 | |
| 514,082 | - | - | - | 25,009 | - | |
| 231,496 | - | - | - | 37,223 | - | |
| 180,053 | - | - | - | 15,382 | - | |
| 148,409 | - | - | - | 23,851 | - | |
| 1,254,198 | 385,574 | - | - | 7,968 | - | |
| 575,192 | - | - | - | 15,870 | - | |
| 39,641,817 | 385,574 | 333,715 | 372,493 | 40,933,105 | 2,381,969 | |
| 39,641,817 | 385,574 | | 372,493 | | 2,381,969 | 42,781,853 |
| | | 333,715 | | 40,933,105 | | 41,266,820 |
| 5.51 | 10.50 | (3.21) | 2.18 | 0.02 | 4.09 | |

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 | 0 | (See FM 1, note to page 114, line 4) |
| | Taxes Other Than Income | | |
| 78 | Less Taxes Other Than Income on Securitization Bonds | 0 | (See FM 1, note to page 114, line 14) |
| | Long Term Interest | | |
| 81 | Less LTD Interest on Securitization Bonds | 0 | (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

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) |
|---------------------|--|----------------|-----------------|-------------|----------------|---------------------------|----------------------------|-----------------------------|------------------------|-------------------------|
| Number | Plant Type | Estimated Life | Mortality Curve | Current Age | Remaining Life | Applied Depreciation Rate | Gross Depreciable Plant \$ | Accumulated Depreciation \$ | Depreciable Balance \$ | Depreciation Expense \$ |
| Transmission | | | | | | | | | | |
| 350.4 | Land Rights | 70 | S4 | 27.3 | 42.70 | 2.4205 | 76,529,766 | 36,101,592 | 40,428,174 | 978,550 |
| 352 | Structures and Improvements | 55 | R4 | 22.1 | 32.90 | 3.1865 | 32,234,094 | 15,390,510 | 16,843,584 | 536,727 |
| 353 | Station Equipment | 47 | R1 | 11.3 | 35.70 | 2.7125 | 463,105,775 | 166,810,048 | 296,295,727 | 8,036,921 |
| 354 | Towers and Fixtures | 65 | R3 | 16.7 | 48.30 | 2.0926 | 316,907,912 | 122,005,476 | 194,902,436 | 4,078,597 |
| 354.2 | Towers and Fixtures - Clearing Land and Rights of Way | 70 | R4 | 26.1 | 43.90 | 2.4551 | 11,837,792 | 6,406,813 | 5,430,979 | 133,335 |
| 355 | Poles and Fixtures | 55 | R1.5 | 14.7 | 40.30 | 2.6906 | 96,686,181 | 41,907,549 | 54,778,632 | 1,473,892 |
| 355.2 | Poles and Fixtures - Clearing Land and Rights of Way | 70 | R4 | 23.4 | 46.60 | 2.2579 | 7,350,196 | 3,723,626 | 3,626,570 | 81,886 |
| 356 | Overhead Conductors and Devices | 55 | R3 | 18.3 | 36.70 | 2.8867 | 214,236,652 | 112,601,625 | 101,635,027 | 2,933,942 |
| 357 | Underground Conduit | 50 | R4 | 14.7 | 35.30 | 2.1195 | 7,920,279 | 1,942,179 | 5,978,100 | 126,705 |
| 358 | Underground Conductors and Devices | 40 | R3 | 10.4 | 29.60 | 3.0815 | 19,052,515 | 7,102,013 | 11,950,502 | 368,252 |
| 359 | Roads and Trails | 70 | R4 | 24.8 | 45.20 | 2.0661 | 7,100,485 | 2,638,539 | 4,461,946 | 92,186 |
| General | | | | | | | | | | |
| 389.4 | Land Rights | 65 | R4 | 39.1 | 25.90 | 3.3009 | 4,398 | 1,293 | 3,105 | 102 |
| 390.2 | Structures and Improvements - Buildings | 55 | S0 | 36.7 | 18.30 | 2.1716 | 285,937,122 | 65,668,154 | 220,268,968 | 4,783,385 |
| 390.21 | Structures and Improvements - Leaseholds | 10 | NA | | 8.50 | - | 741,658 | 146,510 | 595,148 | 0 |
| 390.4 | Structures and Improvements - Air Conditioning | 30 | R2 | 9.5 | 20.50 | 5.2528 | 27,716,836 | 11,928,572 | 15,788,264 | 829,321 |
| 391.2 | Office Furniture and Equipment - Furniture | 20 | NA | | 10.60 | 5.0803 | 19,642,155 | 7,752,859 | 11,889,296 | 997,877 |
| 391.4 | Office Furniture and Equipment - Mechanical Equipment | 15 | NA | | 10.80 | 6.3826 | 2,156,531 | 461,731 | 1,694,800 | 137,642 |
| 391.6 | Office Furniture and Equipment - Computer Equipment - General | 5 | NA | | 3.20 | 15.9991 | 1,829,318 | 377,011 | 1,452,307 | 292,675 |
| 391.8 | Office Furniture and Equipment - Computer Equipment - Power Mgt System | 7 | NA | | - | 14.2800 | 38,155,394 | 38,155,394 | 0 | 0 |
| 392.1 | Transportation Equipment - 5 Years | 5 | R4 | 0.5 | 4.50 | 29.3692 | 3,630,474 | 1,547,437 | 2,083,037 | 611,771 |
| 392.2 | Transportation Equipment - 8 Years | 8 | S3 | 2.1 | 5.90 | 22.6497 | 16,859,250 | 6,821,960 | 10,037,290 | 2,273,415 |
| 392.3 | Transportation Equipment - 10 Years | 11 | R2.5 | 4.8 | 6.20 | 7.3834 | 62,059,350 | 23,937,777 | 38,121,573 | 2,814,665 |
| 392.4 | Transportation Equipment - Trailers | 16 | L1 | (0.1) | 16.10 | 7.7039 | 5,946,837 | 1,337,116 | 4,609,721 | 355,130 |
| 392.5 | Transportation Equipment - 15 Years | 14 | L2 | 4.5 | 9.50 | 12.2947 | 2,690,498 | 671,333 | 2,019,165 | 248,250 |
| 392.6 | Transportation Equipment - 20 Years | 18 | L1.5 | 4.5 | 13.50 | 9.1032 | 653,799 | 27,672 | 626,127 | 56,998 |
| 393 | Store Equipment | 25 | NA | | 10.10 | 4.7651 | 2,666,983 | 1,018,124 | 1,648,859 | 127,084 |
| 394 | Tools, Shop and Garage Equipment - Distribution Line Crews | 20 | NA | | 10.20 | 5.7422 | 5,404,957 | 1,654,050 | 3,750,907 | 310,362 |
| 394.2 | Tools, Shop and Garage Equipment - Tools | 20 | NA | | 10.20 | 7.0416 | 293,480 | 75,695 | 217,785 | 20,666 |
| 394.4 | Tools, Shop and Garage Equipment - Construction Department | 20 | NA | | 6.90 | 5.6703 | 2,091,372 | 899,659 | 1,191,713 | 118,588 |
| 394.6 | Tools, Shop and Garage Equipment - Other | 20 | NA | | 12.30 | 4.5580 | 16,526,912 | 5,176,283 | 11,350,629 | 753,301 |
| 394.8 | Tools, Shop and Garage Equipment - Garage Tools Support | 20 | NA | | 4.10 | 5.3358 | 6,822,834 | 4,961,739 | 1,861,095 | 364,053 |
| 395 | Laboratory Equipment | 20 | NA | | 13.60 | 3.7132 | 4,359,317 | 1,366,068 | 2,993,249 | 161,872 |
| 396 | Power Operated Equipment | 15 | NA | | 9.90 | 10.4546 | 1,462,610 | 682,190 | 780,420 | 152,911 |
| 397 | Communication Equipment | 15 | NA | | 13.10 | 6.2733 | 12,014,703 | 8,685,401 | 3,329,302 | 753,714 |
| 398 | Miscellaneous Equipment | 20 | NA | | 6.30 | 6.5787 | 1,564,034 | 545,740 | 1,018,294 | 102,894 |
| Intangible | | | | | | | | | | |
| 303.2 | Intangible Computer Software | 5 | NA | | 3.90 | 20.00 | 53,692,822 | 23,792,308 | 29,900,514 | 8,409,653 |
| 303.4 | Other Amortized Property | 15 | NA | | 2.40 | 6.67 | 1,035,137 | 957,857 | 77,280 | 61,643 |

Notes:

- Columns (A), (B), (C), and (D) are fixed and cannot be changed absent Commission approval or acceptance.
- Column (E) is based on the Estimated Life in Column (C) less the Remaining Life in Column (F) for those accounts for which using a Mortality Curve is identified.
- Column (F) is the average remaining life of the assets in the account based on their vintage.
- Column (G) is the depreciation rate from the Mortality Curve specified based on data in Columns (C) and (D).
- Columns (H) and (I) are the depreciable gross plant investment and accumulated depreciation in the account or subaccount.
- Column (J) is the depreciable net plant in the account or subaccount.
- Column (K) is Column (G) multiplied by Column (J) for those accounts that have an identified Mortality Curve.
- Each year, PPL Electric will provide a copy of the annual report submitted to the PA PUC that shows the calculation of the depreciation rates and expenses derived from Columns (C) and (D).
- Every 5 years, PPL Electric will file with the Commission a depreciation study supporting its existing Estimated Life and Mortality Curve for each account or subaccount.
- Column (K) for Accounts Nos. 303.2 and 303.4 are calculated using individual asset depreciation and, therefore, are not derived values.
- Column (K) for Account No. 392.3 is net of capitalized depreciation expense. See the applicable note in FERC Form No. 1.
- For those General Plant accounts that do not have Mortality Curves as indicated by "NA" in Column (D), additional detail is provided in Attachment 9 - Supplemental General Plant Depreciation Details.

PPL Electric Utilities Corporation

Attachment 9 - Supplemental
General Plant Depreciation Details

| (A) Number | (B) Plant Type | (C) Estimated Life | (G) Applied Depreciation Rate | (H) Gross Depreciable Plant \$ | (I) Accumulated Depreciation \$ | (J) Depreciable Balance \$ | (K) Depreciation Expense \$ |
|----------------|--|--------------------------|-------------------------------------|---|--|-------------------------------------|--------------------------------------|
| General | | | | | | | |
| 390.21 | Structures and Improvements - Leaseholds - Net Method | 10 | - | 741,658 | 146,510 | 595,148 | 0 |
| 391.2 | Office Furniture and Equipment - Furniture - Gross Method | 20 | 4.6756 | 13,435,622 | 3,107,028 | 10,328,594 | 628,201 |
| 391.2 | Office Furniture and Equipment - Furniture - Net Method | 20 | 23.6865 | 6,206,534 | 4,645,831 | 1,560,703 | 369,677 |
| | | | | 19,642,156 | 7,752,859 | 11,889,297 | 997,877 |
| 391.4 | Office Furniture and Equipment - Mechanical Equipment - Gross Method | 15 | 6.2439 | 2,077,078 | 401,412 | 1,675,666 | 129,691 |
| 391.4 | Office Furniture and Equipment - Mechanical Equipment - Net Method | 15 | 41.5555 | 79,453 | 60,320 | 19,133 | 7,951 |
| | | | | 2,156,531 | 461,732 | 1,694,799 | 137,642 |
| 391.6 | Office Furniture and Equipment - Computer Equipment - General- Gross Method | 5 | 15.9991 | 1,829,318 | 377,011 | 1,452,307 | 292,675 |
| 391.8 | Office Furniture and Equipment - Computer Equipment - Power Mgt System- Gross Method | 7 | 14.2800 | 38,155,394 | 38,155,394 | 0 | 0 |
| 393 | Store Equipment - Gross Method | 25 | 4.0006 | 1,270,821 | 308,414 | 962,407 | 50,840 |
| 393 | Store Equipment - Net Method | 25 | 11.1070 | 1,396,162 | 709,710 | 686,452 | 76,244 |
| | | | | 2,666,983 | 1,018,124 | 1,648,859 | 127,084 |
| 394 | Tools, Shop and Garage Equipment - Distribution Line Crews - Gross Method | 20 | 5.0059 | 2,371,043 | 471,711 | 1,899,332 | 118,693 |
| 394 | Tools, Shop and Garage Equipment - Distribution Line Crews - Net Method | 20 | 10.3517 | 3,033,914 | 1,182,338 | 1,851,576 | 191,669 |
| | | | | 5,404,957 | 1,654,049 | 3,750,908 | 310,362 |
| 394.2 | Tools, Shop and Garage Equipment - Tools - Gross Method | 20 | 5.0000 | 133,692 | 15,735 | 117,957 | 6,685 |
| 394.2 | Tools, Shop and Garage Equipment - Tools - Net Method | 20 | 14.0053 | 159,788 | 59,960 | 99,828 | 13,981 |
| | | | | 293,480 | 75,695 | 217,785 | 20,666 |
| 394.4 | Tools, Shop and Garage Equipment - Construction Department - Gross Method | 20 | 5.6632 | 2,083,421 | 897,095 | 1,186,326 | 117,989 |
| 394.4 | Tools, Shop and Garage Equipment - Construction Department - Net Method | 20 | 11.1111 | 7,951 | 2,563 | 5,388 | 599 |
| | | | | 2,091,372 | 899,658 | 1,191,713 | 118,588 |
| 394.6 | Tools, Shop and Garage Equipment - Gross Method | 20 | 4.2524 | 12,696,907 | 2,170,269 | 10,526,638 | 539,928 |
| 394.6 | Tools, Shop and Garage Equipment - Net Method | 20 | 25.8950 | 3,830,005 | 3,006,014 | 823,991 | 213,373 |
| | | | | 16,526,912 | 5,176,283 | 11,350,629 | 753,301 |
| 394.8 | Tools, Shop and Garage Equipment - Garage Tools Support - Gross Method | 20 | 2.8801 | 912,445 | 49,592 | 862,853 | 26,279 |
| 394.8 | Tools, Shop and Garage Equipment - Garage Tools Support - Net Method | 20 | 33.8368 | 5,910,388 | 4,912,147 | 998,241 | 337,773 |
| | | | | 6,822,833 | 4,961,739 | 1,861,094 | 364,052 |
| 395 | Laboratory Equipment - Gross Method | 20 | 3.0307 | 2,169,813 | 256,214 | 1,913,599 | 65,761 |
| 395 | Laboratory Equipment - Net Method | 20 | 8.9020 | 2,189,504 | 1,109,854 | 1,079,650 | 96,111 |
| | | | | 4,359,317 | 1,366,068 | 2,993,249 | 161,872 |
| 396 | Power Operated Equipment - Gross Method | 15 | 6.6667 | 478,248 | 157,149 | 321,099 | 31,883 |
| 396 | Power Operated Equipment - Net Method | 15 | 26.3492 | 984,362 | 525,041 | 459,321 | 121,027 |
| | | | | 1,462,610 | 682,190 | 780,420 | 152,911 |
| 397 | Communication Equipment - Gross Method | 15 | 6.0503 | 11,334,124 | 8,424,298 | 2,909,826 | 685,744 |
| 397 | Communication Equipment - Net Method | 15 | 16.2035 | 680,579 | 261,103 | 419,476 | 67,970 |
| | | | | 12,014,703 | 8,685,401 | 3,329,302 | 753,714 |
| 398 | Miscellaneous Equipment - Gross Method | 20 | 4.9367 | 380,153 | 114,096 | 266,057 | 18,767 |
| 398 | Miscellaneous Equipment - Net Method | 20 | 11.1836 | 1,183,881 | 431,644 | 752,237 | 84,127 |
| | | | | 1,564,034 | 545,740 | 1,018,294 | 102,894 |

Notes:

1 This schedule shows additional detail for those General Plant accounts that do not have a Mortality Curve. The calculation of Depreciation Expense by the Gross Plant Method (i.e., Column (G) multiplied by Column (H)) and the Net Plant Method (i.e., Column (G) multiplied by Column (J)) is shown separately for the assets in each account subject to each such method. Assets purchased new are depreciated using the Gross Plant Method. Assets purchased used are depreciated using the Net Plant Method (i.e., over their remaining economic life).

EXHIBIT 2

PPL Electric Utilities Corporation

Attachment 3 - Revenue Credit Worksheet

| | | Source | 2009 FERC Form No. 1 |
|---|--|------------------------------------|--|
| Account 454 - Rent from Electric Property | | | |
| 1 | Rent from Electric Property - Transmission Related | | |
| | Rent from Electric Property | 206,986 | |
| | Rent from Facilities | 916,520 | |
| | | 1,123,506 | Cost of Service Financial Feed (Page 2) for the End of Year 2010. The Rent from Facilities is allocated to Transmission on the Cost of Service Basic Data Report (Page 3). |
| | | | Included in Account 454, Rent from Electric Property on p300.19.b. |
| Account 456 - Other Electric Revenues (Note 1) | | | |
| 2 | Transmission for Others (Note 3) | - | |
| 3 | Schedule 12 Revenues (Note 3) | 6,323,744 | Revenue Credit applicable to 2010 is based on actual revenues collected from PJM, excluding incentive revenues as calculated in Attachment 7. |
| 4 | Schedule 1A | 2,716,498 | PJM Bill as outlined on the Transmission Owner Revenue Report (Page 4). Based on the Transmission Owner Scheduling & Dispatch Service Rate (PJM OATT Sched. 1A) |
| | | | Included in Account 456.1, Revenues from Transmission of Electricity of Others on p300.22b. |
| 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) | 2,842,806 | Transmission Owner Revenue Report (Page 4). |
| | | | Included in Account 456.1, Revenues from Transmission of Electricity of Others on p300.22b. |
| 7 | Professional Services provided to others | 2,062,849 | |
| | | 57,671 | Scheduling Services for Other Companies is outlined on the Transmission Owner Revenue Report (Page 4). |
| | | 1,644,615 | Miscellaneous Revenues is outlined on the Transmission Owner Revenue Report (Page 4). |
| | | 360,563 | Transmission Other is outlined on the Transmission Owner Revenue Report (Page 4). |
| | | | Included in Account 456, Other Electric Revenues on p300.21.b. |
| | | | Included in Account 456.1, Revenues from Transmission of Electricity of Others on p300.22b. |
| | | | Included in Account 456.1, Revenues from Transmission of Electricity of Others on p300.22b. |
| 8 | Facilities Charges including Interconnection Agreements (Note 2) | 1,761,706 | Transmission Owner Revenue Report (Page 4). |
| | BG&E 25 & 60 Cycle Transmission | 292,545 | |
| | GPU Susquehanna-Eastern 500KV | 327,504 | |
| | GPU Northampton Wheeling | 1,141,657 | |
| | | | Included in Account 456.1, Revenues from Transmission of Electricity of Others on p300.22b. |
| | | | Included in Account 456, Other Electric Revenues on p300.21.b. |
| | | | Included in Account 456.1, Revenues from Transmission of Electricity of Others on p300.22b. |
| 9 | Gross Revenue Credits | (Sum Lines 1-10) <u>16,831,109</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
 (REVENUE CREDITS)
 FOR COST ALLOCATION PURPOSES
 12 MONTHS ENDED 12/30/2010
 (\$000)

| ACCOUNT | DESCRIPTION | Fac Rents | | | OTHER | TOTAL |
|---------|-------------------------------------|----------------------|----------------------|-----------------|-------|----------|
| | | TRANSMISSION RELATED | DISTRIBUTION RELATED | T&D (W&S Alloc) | | |
| 1 | 450 LATE PAYMENT CHARGES | 0 | 11,442 | | 0 | 11,442 |
| 2 | 451 MISCELLANEOUS SERVICE REVENUES | 0 | 411 | | 0 | 411 |
| 3 | 454 RENT FROM ELECTRIC PROPERTY | 207 | 25,965 | 8,317 | 0 | 34,489 |
| 4 | Reallocation Rents from Facilities | 917 | 7,400 | (8,317) | | |
| 5 | Total Rents | 1,124 | 33,365 | 0 | | 34,489 |
| 6 | 456 OTHER ELECTRIC REVENUE * | 175,586 | 73,021 | | 0 | |
| 7 | Reallocation - Other Revenues | 0 | 0 | 0 | 0 | |
| 8 | Total Other | 175,586 | 73,021 | 0 | 0 | 248,607 |
| 9 | TOTAL OTHER OPERATING REVENUES | 176,710 | 118,239 | 0 | 0 | 294,949 |
| 10 | LATE PAYMENT CHARGES PROPOSED LEVEL | | 11,442 | | | 11,442 |
| | Reallocation - Other Revenues | | (73,021) | | - | (73,021) |
| | Reallocation - Balance Other | - | 73,021 | | | 73,021 |
| | Net Reallocation | 0 | - | - | - | - |

* Includes NITS Revenues Acct 45613

| <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 | -11,442,462 | 0 | -11,442,462 | | | Period Ending: 12/31/10 |
| 2 | 451 | Misc Service Revenue | | 0 | -410,955 | 0 | -410,955 | | | File Name: Other Electric Revenue.xls |
| 3 | 454 | Rent from Electric Property | | -206,986 | -25,965,280 | -8,316,880 | -34,489,146 | | | Approver: JFBOORUM;SRKCOCH; |
| 4 | 456 | Other Electric Revenue | | -175,586,161 | -73,020,571 | 0 | -248,606,733 | | | Sheet Processed: 2/16/2011 3:41:03 PM |
| 5 | Grand Total | | | -175,793,147 | -110,839,269 | -8,316,880 | -294,949,296 | | | |

PPL Electric Utilities 2010 Transmission Revenue Detail

Transmission Owner

December 31, 2010

| | FERC ACCT | Actual <u>TOTAL 2010</u> |
|--|-----------|-----------------------------|
| Supporting Data | | |
| Days | | 365 |
| Total System Load (MWH) ¹ | | 40,135,555 |
| PPL Zone Transmission Peak (MW) ² | | 7,608.7 |

PPL Electric Utilities - Transmission Owner (TO) Related Revenues

Revenues

PJM Network Integration Transmission Service (NITS)

| | | |
|---|-------|-------------|
| PPL's (TO) Share of PPL Zone NITS Payments by LSEs ³ | 45613 | 157,084,864 |
|---|-------|-------------|

Wheeling and Interconnection Agreement Credits

| | | |
|---------------------------------|-------|-----------|
| BG&E 25 & 60 Cycle Transmission | 45613 | 292,545 |
| GPU Susquehanna-Eastern 500KV | 45600 | 327,504 |
| GPU Northampton Wheeling | 45613 | 1,141,657 |

1,761,706

Other Transmission Revenues

| | | |
|---|-------|------------------|
| Transmission Owner Scheduling & Dispatch Service (OATT Sched. 1A) | 45600 | 2,716,498 |
| Scheduling Services for Other Companies | 45600 | 57,671 |
| Miscellaneous Revenues | 45610 | 1,644,615 |
| Transmission Other | 45619 | 360,563 |
| Transmission Enhancement Credits (Sched. 12) | 45614 | 6,323,744 |
| SECA ⁴ | 45613 | 0 |
| Firm Point-to-Point Transmission Service | 45613 | 2,842,806 |

| | | |
|--|--|--------------------|
| Total Revenues to PPL Electric Utilities (TO) | | 172,792,467 |
|--|--|--------------------|

PPL ELECTRIC UTILITIES CORPORATION

Electric Operations
Schedule of Deferred Investment Tax Credit (ITC)
Year Ended December 31, 2010

| <u>Vintage</u> <u>Year</u> | <u>Rate</u> | <u>Accumulated ITC</u> <u>@ 12/31/2009</u> | <u>Amortization for</u> <u>Year Ended</u> <u>12/31/2010</u> | <u>Accumulated ITC</u> <u>@ 12/31/2010</u> |
|---|--------------------|---|--|---|
| <u>Transmission Property:</u> | | | | |
| 1978 | 10% | 25,988 | 25,988 | 0 |
| 1978 | 4% | (36) | (36) | 0 |
| 1979 | 10% | 65,525 | 32,763 | 32,762 |
| 1979 | 4% | (13) | (7) | (6) |
| 1980 | 10% | 352,834 | 117,611 | 235,223 |
| 1980 | 4% | (19) | (6) | (13) |
| 1981 | 10% | 845,301 | 211,325 | 633,976 |
| 1982 | 10% | 306,441 | 61,288 | 245,153 |
| 1983 | 10% | 10,821 | 1,804 | 9,017 |
| 1984 | 10% | 165,241 | 23,605 | 141,636 |
| 1985 | 10% | 137,385 | 17,174 | 120,211 |
| 1986 | 10% | 112,634 | 12,515 | 100,119 |
| 1987 | 10% | 93,595 | 9,360 | 84,235 |
| 1988 | 10% | 18,371 | 1,670 | 16,701 |
| sub total | | <u>2,134,068</u> | <u>515,054</u> | <u>1,619,014</u> |
| <u>Distribution Property:</u> | | | | |
| 1978 | 10% | 113,919 | 113,919 | 0 |
| 1978 | 4% | (159) | (159) | 0 |
| 1979 | 10% | 326,957 | 163,479 | 163,478 |
| 1979 | 4% | (63) | (31) | (32) |
| 1980 | 10% | 478,768 | 159,589 | 319,179 |
| 1980 | 4% | (25) | (8) | (17) |
| 1981 | 10% | 642,953 | 160,738 | 482,215 |
| 1982 | 10% | 736,684 | 147,337 | 589,347 |
| 1983 | 10% | 474,920 | 79,154 | 395,766 |
| 1984 | 10% | 589,220 | 84,174 | 505,046 |
| 1985 | 10% | 935,818 | 116,978 | 818,840 |
| 1986 | 10% | 1,076,962 | 119,662 | 957,300 |
| 1987 | 10% | 278,585 | 27,859 | 250,726 |
| 1988 | 10% | 136,952 | 12,450 | 124,502 |
| 1989 | 10% | 35,454 | 2,955 | 32,499 |
| 1990 | 10% | 64,189 | 4,938 | 59,251 |
| sub total | | <u>5,891,134</u> | <u>1,193,034</u> | <u>4,698,100</u> |
| Total | | <u>\$ 8,025,202</u> | <u>\$ 1,708,088</u> | <u>\$ 6,317,114</u> |

PPL Electric Utilities Corporation
 PBOP Expenses
 FERC Account 92499
 12 Months Ended December 31, 2010

| Month | Distribution | Transmission | Total Electric |
|---------------------|---------------------|---------------------|-----------------------|
| March | 3,229,845 | 87,293 | |
| June | 3,229,845 | 87,293 | |
| September | 2,039,008 | 55,108 | |
| December | 1,478,242 | 39,952 | |
| <hr/> | | | |
| T&B offset - FAS106 | 9,976,940 | 269,647 | 10,246,587 |
| <hr/> | | | |
| Capital Charges | 25.28% | 51.65% | |
| Expense Charges | 74.72% | 48.35% | |
| <hr/> | | | |
| T&B offset - FAS106 | Expense | 7,454,770 | 130,374 |
| | | | 7,585,144 |
| <hr/> <hr/> | | | |

EXHIBIT 3

| PPL Electric Utilities Corporation | | Update as of 6/1/2011 | Update as of 6/1/2010 | Difference | |
|---|---|--------------------------------------|-----------------------|----------------------|--------------------|
| Variance Report - 2011 Annual Update | | A | B | =A - B | |
| Notes | FERC Form 1 Page # or Instruction | | | | |
| Allocators | | | | | |
| Wages & Salary Allocation Factor | | | | | |
| 1 | Transmission Wages Expense | p354.21.b | 10,276,562 | 9,082,458 | 1,194,104 |
| 2 | Total Wages Expense | p354.28.b | 97,574,951 | 90,520,382 | 7,054,569 |
| 3 | Less A&G Wages Expense | p354.27.b | 3,156,446 | 3,749,631 | -593,185 |
| 4 | Total Wages Less A&G Wages Expense | (Line 2 - Line 3) | 94,418,505 | 86,770,751 | 7,647,754 |
| 5 | Wages & Salary Allocator | (Line 1 / Line 4) | 10.8841% | 10.4672% | 0.4169% |
| Plant Allocation Factors | | | | | |
| 6 | Electric Plant in Service | p207.104.g | 5,678,598,537 | 5,379,094,065 | 299,504,472 |
| 7 | Accumulated Depreciation (Total Electric Plant) | (Note J) p219.29.c | 2,156,778,191 | 2,081,339,266 | 75,438,925 |
| 8 | Accumulated Amortization | (Note A) p200.21.c | 24,609,510 | 16,949,218 | 7,660,292 |
| 9 | Total Accumulated Depreciation | (Line 7 + 8) | 2,181,387,701 | 2,098,288,484 | 83,099,217 |
| 10 | Net Plant | (Line 6 - Line 9) | 3,497,210,836 | 3,280,805,581 | 216,405,255 |
| 11 | Transmission Gross Plant (excluding Land Held for Future Use) | (Line 25 - Line 24) | 1,365,863,492 | 1,253,238,499 | 112,624,993 |
| 12 | Gross Plant Allocator | (Line 11 / Line 6) | 24.0528% | 23.2983% | 0.7545% |
| 13 | Transmission Net Plant (excluding Land Held for Future Use) | (Line 33 - Line 24) | 836,497,054 | 738,413,638 | 98,083,416 |
| 14 | Net Plant Allocator | (Line 13 / Line 10) | 23.9190% | 22.5071% | 1.4119% |
| Plant Calculations | | | | | |
| Plant In Service | | | | | |
| 15 | Transmission Plant In Service | (Note B) p207.58.g | 1,259,407,293 | 1,181,764,806 | 77,642,487 |
| 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 | 42,781,853 | 15,322,650 | 27,459,203 |
| 18 | Total Transmission Plant | (Line 15 - Line 16 + Line 17) | 1,302,189,146 | 1,197,087,456 | 105,101,690 |
| 19 | General | p207.99.g | 529,672,812 | 497,780,433 | 31,892,379 |
| 20 | Intangible | p205.5.g | 55,351,295 | 38,667,760 | 16,683,535 |
| 21 | Total General and Intangible Plant | (Line 19 + Line 20) | 585,024,107 | 536,448,193 | 48,575,914 |
| 22 | Wage & Salary Allocator | (Line 5) | 10.8841% | 10.4672% | 0.4169% |
| 23 | Total General and Intangible Functionalized to Transmission | (Line 21 * Line 22) | 63,674,345 | 56,151,043 | 7,523,302 |
| 24 | Land Held for Future Use | #REF! Attachment 5 | 32,608,502 | 30,157,478 | 2,451,024 |
| 25 | Total Plant In Rate Base | (Line 18 + Line 23 + Line 24) | 1,398,471,994 | 1,283,395,977 | 115,076,017 |
| Accumulated Depreciation | | | | | |
| 26 | Transmission Accumulated Depreciation | (Note J) p219.25.c | 506,375,952 | 494,865,329 | 11,510,623 |
| 27 | Accumulated General Depreciation | (Note J) p219.28.c | 186,621,377 | 173,737,442 | 12,883,935 |
| 28 | Accumulated Amortization | (Line 8) | 24,609,510 | 16,949,218 | 7,660,292 |
| 29 | Total Accumulated Depreciation | (Line 27 + 28) | 211,230,887 | 190,686,660 | 20,544,227 |
| 30 | Wage & Salary Allocator | (Line 5) | 10.8841% | 10.4672% | 0.4169% |
| 31 | Subtotal General and Intangible Accum. Depreciation Allocated to Transmission | (Line 29 * Line 30) | 22,990,486 | 19,959,532 | 3,030,954 |
| 32 | Total Accumulated Depreciation | (Sum Lines 26 + 31) | 529,366,438 | 514,824,861 | 14,541,577 |
| 33 | Total Net Property, Plant & Equipment | (Line 25 - Line 32) | 869,105,556 | 768,571,116 | 100,534,440 |

| PPL Electric Utilities Corporation | | | Update as of 6/1/2011 | Update as of 6/1/2010 | Difference |
|---|---|--------------------------------------|-----------------------|-----------------------|-------------|
| Variance Report - 2011 Annual Update | | Notes | A | B | =A - B |
| | | FERC Form 1 Page # or Instruction | | | |
| Adjustment To Rate Base | | | | | |
| 34 | Accumulated Deferred Income Taxes ADIT net of FASB 106 and 109 | Attachment 1 | (102,985,689) | (67,508,635) | -35,477,054 |
| 35 | CWIP for Incentive Transmission Projects CWIP Balances for Current Rate Year | (Note H) Attachment 6 | 41,266,820 | 34,170,663 | 7,096,157 |
| 36 | Prepayments Prepayments | #REF! Attachment 5 | 8,534,984 | 2,260,619 | 6,274,365 |
| 37 | Materials and Supplies Undistributed Stores Expense | (Note A) p227.16.c | 4,151,545 | 2,617,108 | 1,534,437 |
| 38 | Wage & Salary Allocator | (Line 5) | 10,8841% | 10,4672% | 0,4169% |
| 39 | Total Undistributed Stores Expense Allocated to Transmission | (Line 37 * Line 38) | 451,856 | 273,938 | 177,919 |
| 40 | Transmission Materials & Supplies | p227.8.c | 11,855,371 | 11,772,128 | 83,243 |
| 41 | Total Materials & Supplies Allocated to Transmission | (Line 39 + Line 40) | 12,307,227 | 12,046,066 | 261,162 |
| 42 | Cash Working Capital Operation & Maintenance Expense | (Line 70) | 54,083,473 | 45,503,296 | 8,580,177 |
| 43 | 1/8th Rule | 1/8 | 12.5% | 12.5% | |
| 44 | Total Cash Working Capital Allocated to Transmission | (Line 42 * Line 43) | 6,760,434 | 5,687,912 | 1,072,522 |
| 45 | Total Adjustment to Rate Base | (Lines 34 + 35 + 36 + 41 +) | (34,116,223) | (13,343,375) | -20,772,848 |
| 46 | Rate Base | (Line 33 + Line 45) | 834,989,333 | 755,227,740 | 79,761,592 |
| Operations & Maintenance Expense | | | | | |
| 47 | Transmission O&M Transmission O&M | Attachment 5 | 112,319,842 | 164,886,059 | -52,566,217 |
| 48 | Less Account 565 | Attachment 5 | 76,672,820 | 136,881,044 | -60,208,224 |
| 49 | Plus Charges billed to Transmission Owner and booked to Account 565 | (Note) Attachment 5 | 0 | 0 | 0 |
| 50 | Transmission O&M | (Lines 47 - 48 + 49) | 35,647,022 | 28,005,015 | 7,642,007 |
| 51 | Allocated Administrative & General Expenses Total A&G | 323.197b | 163,870,958 | 160,377,268 | 3,493,690 |
| 52 | Less: Administrative & General Expenses on Securitization Bonds | #REF! Attachment 8 | 0 | -22,142 | 22,142 |
| 53 | Plus: Fixed PBOP expense | (Note J) Attachment 5 | 10,028,618 | 10,028,618 | 0 |
| 54 | Less: Actual PBOP expense | Attachment 5 | 7,585,144 | 10,547,352 | -2,962,208 |
| 55 | Less Property Insurance Account 924 | p323.185.b | 7,151,502 | 6,183,066 | 968,436 |
| 56 | Less Regulatory Commission Exp Account 928 | (Note E) p323.189.b | 5,346,917 | 5,075,146 | 271,771 |
| 57 | Less General Advertising Exp Account 930.1 | p323.191.b | 0 | 0 | 0 |
| 58 | Less EPRI Dues | (Note D) p352 & 353 | 142,728 | 156,459 | -13,731 |
| 59 | Administrative & General Expenses | Sum (Lines 51 + 53) - Line | 153,673,285 | 148,466,005 | 5,207,280 |
| 60 | Wage & Salary Allocator | (Line 5) | 10,8841% | 10,4672% | 0,4169% |
| 61 | Administrative & General Expenses Allocated to Transmission | (Line 59 * Line 60) | 16,725,885 | 15,540,217 | 1,185,668 |
| 62 | Directly Assigned A&G Regulatory Commission Exp Account 928 | (Note G) Attachment 5 | 0 | 0 | 0 |
| 63 | General Advertising Exp Account 930.1 | (Note) 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 | 7,151,502 | 8,699,771 | -1,548,269 |
| 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) | 7,151,502 | 8,699,771 | -1,548,269 |
| 68 | Net Plant Allocator | (Line 14) | 23,9190% | 22,5071% | 1,4119% |
| 69 | A&G Directly Assigned to Transmission | (Line 67 * Line 68) | 1,710,566 | 1,958,065 | -247,499 |
| 70 | Total Transmission O&M | (Lines 50 + 61 + 64 + 69) | 54,083,473 | 45,503,296 | 8,580,177 |

| PPL Electric Utilities Corporation | | Notes | FERC Form 1 Page # or Instruction | Update as of 6/1/2011 | Update as of 6/1/2010 | Difference |
|--|--|------------------------------|--------------------------------------|-----------------------|-----------------------|--------------------|
| | | | | A | B | =A - B |
| Variance Report - 2011 Annual Update | | | | | | |
| Depreciation & Amortization Expense | | | | | | |
| 71 | Depreciation Expense | | | | | |
| | Transmission Depreciation Expense Including Amortization of Limited Term Plant | (Note J) | Attachment 5 | 20,801,072 | 19,772,965 | 1,028,107 |
| 72 | General Depreciation Expense Including Amortization of Limited Term Plant | (Note J) | Attachment 5 | 16,012,484 | 15,657,077 | 355,407 |
| 73 | Intangible Amortization | (Note A) | p336.1.d&e | 8,471,296 | 5,730,601 | 2,740,695 |
| 74 | Total | | (Line 72 + Line 73) | 24,483,780 | 21,387,678 | 3,096,102 |
| 75 | Wage & Salary Allocator | | (Line 5) | 10.8841% | 10.4672% | 0.4169% |
| 76 | General Depreciation & Intangible Amortization Allocated to Transmission | | (Line 74 * Line 75) | 2,664,828 | 2,238,689 | 426,140 |
| 77 | Total Transmission Depreciation & Amortization | | (Lines 71 + 76) | 23,465,900 | 22,011,654 | 1,454,246 |
| Taxes Other than Income Taxes | | | | | | |
| 78 | Taxes Other than Income Taxes | | Attachment 2 | 2,767,051 | 2,627,907 | 139,144 |
| 79 | Total Taxes Other than Income Taxes | | (Line 78) | 2,767,051 | 2,627,907 | 139,144 |
| Return \ Capitalization Calculations | | | | | | |
| Long Term Interest | | | | | | |
| 80 | Long Term Interest | | p117.62.c through 66.c | 96,707,752 | 110,996,893 | -14,289,141 |
| 81 | Less LTD Interest on Securitization Bonds | #REF! | Attachment 8 | 0 | 0 | 0 |
| 82 | Long Term Interest | | (Line 80 - Line 81) | 96,707,752 | 110,996,893 | -14,289,141 |
| 83 | Preferred Dividends | enter positive | p118.29.c | 16,331,327 | 18,069,981 | -1,738,654 |
| Common Stock | | | | | | |
| 84 | Proprietary Capital | | p112.16.c | 1,942,999,979 | 1,894,686,318 | 48,313,661 |
| 85 | Less Accumulated Other Comprehensive Income Account 219 | | p112.15.c | 81,345 | 50,604 | 30,741 |
| 86 | Less Preferred Stock | | (Line 94) | 250,000,000 | 300,518,900 | -50,518,900 |
| 87 | Less Account 216.1 | | p112.12.c | 2,754,990 | 2,518,732 | 236,258 |
| 88 | Common Stock | | (Line 84 - 85 - 86 - 87) | 1,690,163,644 | 1,591,598,082 | 98,565,562 |
| Capitalization | | | | | | |
| 89 | Long Term Debt | | p112.18.c, 19.c & 21.c | 1,474,040,000 | 1,474,040,000 | 0 |
| 90 | Less Loss on Reacquired Debt | | p111.81.c | 27,466,008 | 33,014,572 | -5,548,564 |
| 91 | Plus Gain on Reacquired Debt | | p113.61.c | 0 | 0 | 0 |
| 92 | Less LTD on Securitization Bonds | #REF! | Attachment 8 | 0 | 0 | 0 |
| 93 | Total Long Term Debt | | (Line 89 - 90 + 91 - 92) | 1,446,573,992 | 1,441,025,428 | 5,548,564 |
| 94 | Preferred Stock | | p112.3.c | 250,000,000 | 300,518,900 | -50,518,900 |
| 95 | Common Stock | | (Line 88) | 1,690,163,644 | 1,591,598,082 | 98,565,562 |
| 96 | Total Capitalization | | (Sum Lines 93 to 95) | 3,386,737,636 | 3,333,142,410 | 53,595,226 |
| 97 | Debt % | Total Long Term Debt | (Line 93 / Line 96) | 42.7% | 43.2% | -0.5% |
| 98 | Preferred % | Preferred Stock | (Line 94 / Line 96) | 7.4% | 9.0% | -1.6% |
| 99 | Common % | Common Stock | (Line 95 / Line 96) | 49.9% | 47.8% | 2.2% |
| 100 | Debt Cost | Total Long Term Debt | (Line 82 / Line 93) | 0.0669 | 0.0770 | -0.0102 |
| 101 | Preferred Cost | Preferred Stock | (Line 83 / Line 94) | 0.0653 | 0.0601 | 0.0052 |
| 102 | Common Cost | Common Stock | (Note J) Fixed | 0.1168 | 0.1168 | 0.0000 |
| 103 | Weighted Cost of Debt | Total Long Term Debt (WCLTD) | (Line 97 * Line 100) | 0.0286 | 0.0333 | -0.0047 |
| 104 | Weighted Cost of Preferred | Preferred Stock | (Line 98 * Line 101) | 0.0048 | 0.0054 | -0.0006 |
| 105 | Weighted Cost of Common | Common Stock | (Line 99 * Line 102) | 0.0583 | 0.0558 | 0.0025 |
| 106 | Rate of Return on Rate Base (ROR) | | (Sum Lines 103 to 105) | 0.0917 | 0.0945 | -0.0028 |
| 107 | Investment Return = Rate Base * Rate of Return | | (Line 46 * Line 106) | 76,540,502 | 71,365,299 | 5,175,203 |

| PPL Electric Utilities Corporation | | Update as of 6/1/2011 | Update as of 6/1/2010 | Difference |
|---|---|--|-----------------------|--------------------|
| Variance Report - 2011 Annual Update | | A | B | =A - B |
| | Notes | | | |
| 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 Per State Tax Code) 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 (515,054) | (548,000) | 32,946 |
| 114 | ITC Adjust. Allocated to Trans. - Grossed Up | ITC Adjustment x 1 / (1-T) Line 113 * (1 / (1 - Line 11)) (880,336) | (936,648) | 56,312 |
| 115 | Income Tax Component = | $(T/1-T) * \text{Investment Return} * (1-(WCLTC[Line 112 * Line 107 * (1 - ($ 37,373,699 | 32,776,563 | 4,597,137 |
| 116 | Total Income Taxes | (Line 114 + Line 115) 36,493,363 | 31,839,915 | 4,653,448 |
| Revenue Requirement | | | | |
| Summary | | | | |
| 117 | Net Property, Plant & Equipment | (Line 33) 869,105,556 | 768,571,116 | 100,534,440 |
| 118 | Total Adjustment to Rate Base | (Line 45) (34,116,223) | (13,343,375) | -20,772,848 |
| 119 | Rate Base | (Line 46) 834,989,333 | 755,227,740 | 79,761,592 |
| 120 | Total Transmission O&M | (Line 70) 54,083,473 | 45,503,296 | 8,580,177 |
| 121 | Total Transmission Depreciation & Amortization | (Line 77) 23,465,900 | 22,011,654 | 1,454,246 |
| 122 | Taxes Other than Income | (Line 79) 2,767,051 | 2,627,907 | 139,144 |
| 123 | Investment Return | (Line 107) 76,540,502 | 71,365,299 | 5,175,203 |
| 124 | Income Taxes | (Line 116) 36,493,363 | 31,839,915 | 4,653,448 |
| 125 | Gross Revenue Requirement | (Sum Lines 120 to 12) 193,350,289 | 173,348,071 | 20,002,218 |
| Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities | | | | |
| 126 | Transmission Plant In Service | (Line 15) 1,259,407,293 | 1,181,764,806 | 77,642,487 |
| 127 | Excluded Transmission Facilities | (Note P) Attachment 5 0 | 0 | 0 |
| 128 | Included Transmission Facilities | (Line 126 - Line 127) 1,259,407,293 | 1,181,764,806 | 77,642,487 |
| 129 | Inclusion Ratio | (Line 128 / Line 126) 100.00% | 100.00% | 0.00% |
| 130 | Gross Revenue Requirement | (Line 125) 193,350,289 | 173,348,071 | 20,002,218 |
| 131 | Adjusted Gross Revenue Requirement | (Line 129 * Line 130) 193,350,289 | 173,348,071 | 20,002,218 |
| Revenue Credits | | | | |
| 132 | Revenue Credits | Attachment 3 16,831,109 | 12,952,766 | 3,878,343 |
| 133 | Net Revenue Requirement | (Line 131 - Line 132) 176,519,180 | 160,395,305 | 16,123,875 |
| Net Plant Carrying Charge | | | | |
| 134 | Gross Revenue Requirement | (Line 130) 193,350,289 | 173,348,071 | 20,002,218 |
| 135 | Net Transmission Plant | (Line 18 - Line 26 + Line 3) 837,080,015 | 736,392,790 | 100,687,225 |
| 136 | Net Plant Carrying Charge | (Line 134 / Line 135) 23.0982% | 23.5402% | -0.4420% |
| 137 | Net Plant Carrying Charge without Depreciation | (Line 134 - Line 71) / Line 13 20.6132% | 20.8551% | -0.2418% |
| 138 | Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes | (Line 134 - Line 71 - Line 1) 7.1099% | 6.8401% | 0.2698% |
| 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 140) 80,316,424 | 70,142,857 | 10,173,567 |
| 140 | Increased Return and Taxes | Attachment 4 120,156,227 | 109,369,082 | 10,787,144 |
| 141 | Net Revenue Requirement per 100 Basis Point increase in ROE | (Line 139 + Line 140) 200,472,651 | 179,511,939 | 20,960,711 |
| 142 | Net Transmission Plant | (Line 18 - Line 26 + Line 3) 837,080,015 | 736,392,790 | 100,687,225 |
| 143 | Net Plant Carrying Charge per 100 Basis Point increase in ROE | (Line 141 / Line 142) 23.9490% | 24.3772% | -0.4282% |
| 144 | Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation | (Line 141 - Line 71) / Line 142 21.4641% | 21.6921% | -0.2280% |
| 145 | Net Revenue Requirement | (Line 133) 176,519,180 | 160,395,305 | 16,123,875 |
| 146 | True-up amount | Attachment 6 (474,496) | 17,485,975 | (17,960,471) |
| 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) 176,044,684 | 177,881,280 | (1,836,596) |

| PPL Electric Utilities Corporation Variance Report - 2011 Annual Update | | Notes | FERC Form 1 Page # or Instruction | Update as of 6/1/2011 | Update as of 6/1/2010 | Difference |
|--|--|--------|--------------------------------------|-----------------------|-----------------------|---------------|
| | | | | A | B | =A - B |
| Network Zonal Service Rate | | | | | | |
| 149 | 1 CP Peak | (Note) | PJM Data | 7,411.0 | 7,608.7 | (197.7) |
| 150 | Rate (\$/MW-Year) | | (Line 148 / 149) | \$ 23,755 | \$ 23,379 | \$ 376 |
| 151 | Network Service Rate (\$/MW-Year) | | (Line 150) | \$ 23,755 | \$ 23,379 | \$ 376 |

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.
- 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
Transmission Formula Rate Variance Report
(Comparison of 2011 Annual Update to 2010 Annual Update)
Explanatory Statement

The following are explanations of changes in the major categories reflected in the Transmission Formula Rate Variance Report:

Plant Calculation Variance

PPL Electric's Total Plant (Line 25) increased by \$115.1 million, which primarily is due to an increase in plant additions, retirements, and transfers (Line 15), an increase in current year plant additions (Line 17), and an increase in General Plant (Line 19). The Net Plant (Line 33) increased by \$100.5 million and is the net result of an increase in Total Plant, as described above, and an associated increase in Depreciation (Line 32).

Adjustments to Rate Base

The Total Adjustments to the Rate Base (Line 45) increased by \$20.8 million. The increase is the net effect of changes in Accumulated Deferred Income Taxes (ADIT), Construction Work In Progress (CWIP), and Prepayments.

ADIT (Line 34) increased by \$35.5 million. The increase in ADIT primarily relates to the additional bonus tax depreciation deductions that resulted from 1) the Small Business Jobs Act signed into law on September 27, 2010, which extended the 50% bonus depreciation deduction, that previously expired on December 31, 2009, and 2) the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, signed into law on December 17, 2010, which instituted a 100% bonus depreciation deduction.

CWIP (Line 35) increased by \$7.1 million. This amount reflects an increase in capital investment for the Susquehanna-Roseland Project. For the most part, the costs for the Susquehanna-Roseland Project are borne by customers across the entire PJM Interconnection, L.L.C. (PJM) region pursuant to Schedule 12 of the PJM Open Access Transmission Tariff. The PPL Zonal network rate is reduced by the actual Transmission Enhancement Charge (TEC) that is collected from other zones. The TEC is reflected in the adjustments to the Revenue Credits, which are shown on Attachment 3.

Prepayments (Line 36) increased by \$6.3 million. The increase in prepayments primarily is due to a reduction in 2010 federal taxable income as a result of 1) the Small Business Jobs Act signed into law on September 27, 2010, which extended the 50% bonus depreciation deduction that previously expired at December 31, 2009 and 2) the Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010, signed into law on December 17, 2010, which instituted a 100% bonus depreciation deduction. Prior to the law changes, PPL Electric was required to make quarterly estimated federal income tax payments on April 15, June 15 and September 15 pursuant to IRC 6655. PPL Electric did not make any additional estimated payments after the tax bills referenced above were signed into law.

Rate Base

The Rate Base (Line 46) increased by \$79.8 million. The increase is the net result of the changes to the Net Plant (Line 33) and the changes to the Rate Base Adjustments (Line 45) as described above.

Operation and Maintenance Expense

Operation and Maintenance Expense (Line 70) increased by \$8.6 million primarily due to higher costs of \$9.1 million related to the Maintenance of Overhead Lines. This increase is the result of PPL Electric's implementation of an industry best practice, referred to as Wire Zone – Border Zone, transmission vegetation management program. The Wire Zone – Border Zone transmission vegetation management program will safeguard system reliability while complying with recently enacted federal reliability standards.

Depreciation and Amortization Expense

Depreciation and Amortization Expense (Line 77) increased \$1.5 million. The increase is due to an increase in depreciable net plant (Line 33) less the sum of New Transmission Plant Additions for the Current Calendar Year (Line 17) and Land Held for Future Use (Line 24).

Taxes Other Than Income

Taxes Other Than Income (Line 79) is basically unchanged, with a de minimis increase of \$0.1 million.

Investment Return

Investment Return (Line 107) increased by \$5.2 million. The increase in the investment return on capital is largely attributable to the net effect of changes to PPL Electric's capitalization and the resultant change to its rate of return on rate base (ROR) (Line 106), which are applied to the increase in Rate Base, as described above.

Total Income Taxes

Total Income Taxes increased \$4.7 million. The increase is the net result of the changes to the Investment Return (Line 107) as described above.

Revenue Requirement

The Annual Gross Revenue Requirement (Line 125) increased by \$20.0 million and the Annual Net Revenue Requirement (Line 133) increased by \$16.1 million. The increases to both are the net result of changes to the Rate Base, Adjustments to Rate Base, and capitalization, as described above. Notwithstanding these increases, the Net Zonal Revenue Requirement (Line 148) decreased by \$1.8 million. This resulted from a decrease in the True-up amount (Line 146) of \$18.0 million, which more than offset the \$16.1 million increase in the Annual Net Revenue Requirement.

Network Service Rate

The Network Service Rate (Line 151) increased by \$400 per megawatt per year. The increase in the network rate is the direct result of the decrease in the Zonal Peak Load (Line 149).

EXHIBIT 4

ATTACHMENT H-8G

PPL Electric Utilities Corporation

Formula Rate -- Appendix A

Notes

FERC Form 1 Page # or Instruction

2010 Data

Shaded cells are input cells

Allocators

| | | | |
|---|---|---------------------|-----------------|
| Wages & Salary Allocation Factor | | | |
| 1 | Transmission Wages Expense | p354.21.b | 10,276,562 |
| 2 | Total Wages Expense | p354.28.b | 97,574,951 |
| 3 | Less A&G Wages Expense | p354.27.b | 3,156,446 |
| 4 | Total Wages Less A&G Wages Expense | (Line 2 - Line 3) | 94,418,505 |
| 5 | Wages & Salary Allocator | (Line 1 / Line 4) | 10.8841% |
| Plant Allocation Factors | | | |
| 6 | Electric Plant in Service | p207.104.g | 5,678,598,537 |
| 7 | Accumulated Depreciation (Total Electric Plant) | (Note J) p219.29.c | 2,156,778,191 |
| 8 | Accumulated Amortization | (Note A) p200.21.c | 24,609,510 |
| 9 | Total Accumulated Depreciation | (Line 7 + 8) | 2,181,387,701 |
| 10 | Net Plant | (Line 6 - Line 9) | 3,497,210,836 |
| 11 | Transmission Gross Plant (excluding Land Held for Future Use) | (Line 25 - Line 24) | 1,259,574,666 |
| 12 | Gross Plant Allocator | (Line 11 / Line 6) | 22.1811% |
| 13 | Transmission Net Plant (excluding Land Held for Future Use) | (Line 33 - Line 24) | 730,208,228 |
| 14 | Net Plant Allocator | (Line 13 / Line 10) | 20.8797% |

Plant Calculations

| | | | |
|---------------------------------|---|--------------------------------------|----------------------|
| Plant In Service | | | |
| 15 | Transmission Plant In Service | (Note B) p207.58.g | 1,259,407,293 |
| 16 | For Reconciliation only - remove New Transmission Plant Additions for Current Calendar Year | For Reconciliation Only Attachment 6 | 85,316,425 |
| 17 | New Transmission Plant Additions for Current Calendar Year (weighted by months in service) | (Note B) Attachment 6 | 21,809,452 |
| 18 | Total Transmission Plant | (Line 15 - Line 16 + Line 17) | 1,195,900,321 |
| 19 | General | p207.99.g | 529,672,812 |
| 20 | Intangible | p205.5.g | 55,351,295 |
| 21 | Total General and Intangible Plant | (Line 19 + Line 20) | 585,024,107 |
| 22 | Wage & Salary Allocator | (Line 5) | 10.8841% |
| 23 | Total General and Intangible Functionalized to Transmission | (Line 21 * Line 22) | 63,674,345 |
| 24 | Land Held for Future Use | (Note C) (Note P) Attachment 5 | 32,608,502 |
| 25 | Total Plant In Rate Base | (Line 18 + Line 23 + Line 24) | 1,292,183,168 |
| Accumulated Depreciation | | | |
| 26 | Transmission Accumulated Depreciation | (Note J) p219.25.c | 506,375,952 |
| 27 | Accumulated General Depreciation | (Note J) p219.28.c | 186,621,377 |
| 28 | Accumulated Amortization | (Line 8) | 24,609,510 |
| 29 | Total Accumulated Depreciation | (Line 27 + 28) | 211,230,887 |
| 30 | Wage & Salary Allocator | (Line 5) | 10.8841% |
| 31 | Subtotal General and Intangible Accum. Depreciation Allocated to Transmission | (Line 29 * Line 30) | 22,990,486 |
| 32 | Total Accumulated Depreciation | (Sum Lines 26 + 31) | 529,366,438 |
| 33 | Total Net Property, Plant & Equipment | (Line 25 - Line 32) | 762,816,730 |

Adjustment To Rate Base

| | | | |
|---|---|--------------------------------|--------------------|
| Accumulated Deferred Income Taxes | | | |
| 34 | ADIT net of FASB 106 and 109 | Attachment 1 | -102,639,318 |
| CWIP for Incentive Transmission Projects | | | |
| 35 | CWIP Balances for Current Rate Year | (Note H) Attachment 6 | 33,317,340 |
| Prepayments | | | |
| 36 | Prepayments | (Note A) (Note O) Attachment 5 | 8,534,984 |
| Materials and Supplies | | | |
| 37 | Undistributed Stores Expense | (Note A) p227.16.c | 4,151,545 |
| 38 | Wage & Salary Allocator | (Line 5) | 10.8841% |
| 39 | Total Undistributed Stores Expense Allocated to Transmission | (Line 37 * Line 38) | 451,856 |
| 40 | Transmission Materials & Supplies | p227.8.c | 11,855,371 |
| 41 | Total Materials & Supplies Allocated to Transmission | (Line 39 + Line 40) | 12,307,227 |
| Cash Working Capital | | | |
| 42 | Operation & Maintenance Expense | (Line 70) | 53,866,121 |
| 43 | 1/8th Rule | 1/8 | 12.5% |
| 44 | Total Cash Working Capital Allocated to Transmission | (Line 42 * Line 43) | 6,733,265 |
| 45 | Total Adjustment to Rate Base | (Lines 34 + 35 + 36 + 41 + 44) | -41,746,501 |
| 46 | Rate Base | (Line 33 + Line 45) | 721,070,229 |

Operations & Maintenance Expense

| | | | |
|--|--|--|-------------------|
| Transmission O&M | | | |
| 47 | Transmission O&M | Attachment 5 | 112,319,842 |
| 48 | Less Account 565 | Attachment 5 | 76,672,820 |
| 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) | 35,647,022 |
| Allocated Administrative & General Expenses | | | |
| 51 | Total A&G | 323.197b | 163,870,958 |
| 52 | Less: Administrative & General Expenses on Securitization Bonds | (Note O) Attachment 8 | 0 |
| 53 | Plus: Fixed PBOP expense | (Note J) Attachment 5 | 10,028,618 |
| 54 | Less: Actual PBOP expense | Attachment 5 | 7,585,144 |
| 55 | Less Property Insurance Account 924 | p323.185.b | 7,151,502 |
| 56 | Less Regulatory Commission Exp Account 928 | (Note E) p323.189.b | 5,346,917 |
| 57 | Less General Advertising Exp Account 930.1 | p323.191.b | 0 |
| 58 | Less EPRI Dues | (Note D) p352 & 353 | 142,728 |
| 59 | Administrative & General Expenses | Sum (Lines 51 + 53) - Line 52 - Sum (Lines 54 to 58) | 153,673,285 |
| 60 | Wage & Salary Allocator | (Line 5) | 10.8841% |
| 61 | Administrative & General Expenses Allocated to Transmission | (Line 59 * Line 60) | 16,725,885 |
| 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 | 7,151,502 |
| 66 | General Advertising Exp Account 930.1 | (Note F) Attachment 5 | 0 |
| 67 | Total Accounts 924 and 930.1 - General | (Line 65 + Line 66) | 7,151,502 |
| 68 | Net Plant Allocator | (Line 14) | 20.8797% |
| 69 | A&G Directly Assigned to Transmission | (Line 67 * Line 68) | 1,493,214 |
| 70 | Total Transmission O&M | (Lines 50 + 61 + 64 + 69) | 53,866,121 |

Depreciation & Amortization Expense

| | | | | |
|-----------------------------|--|----------|------------------------|-------------------|
| Depreciation Expense | | | | |
| 71 | Transmission Depreciation Expense Including Amortization of Limited Term Plant | (Note J) | Attachment 5 | 20,801,072 |
| 72 | General Depreciation Expense Including Amortization of Limited Term Plant | (Note J) | Attachment 5 | 16,012,484 |
| 73 | Intangible Amortization | (Note A) | p336.1.d&e | 8,471,296 |
| 74 | Total | | (Line 72 + Line 73) | 24,483,780 |
| 75 | Wage & Salary Allocator | | (Line 5) | 10.8841% |
| 76 | General Depreciation & Intangible Amortization Allocated to Transmission | | (Line 74 * Line 75) | 2,664,828 |
| 77 | Total Transmission Depreciation & Amortization | | (Lines 71 + 76) | 23,465,900 |

Taxes Other than Income Taxes

| | | | | |
|----|--|--|------------------|------------------|
| 78 | Taxes Other than Income Taxes | | Attachment 2 | 2,516,752 |
| 79 | Total Taxes Other than Income Taxes | | (Line 78) | 2,516,752 |

Return \ Capitalization Calculations

| | | | | |
|---------------------------|---|------------------------------|-----------------------------|----------------------|
| Long Term Interest | | | | |
| 80 | Long Term Interest | | p117.62.c through 66.c | 96,707,752 |
| 81 | Less LTD Interest on Securitization Bonds | (Note O) | Attachment 8 | 0 |
| 82 | Long Term Interest | | (Line 80 - Line 81) | 96,707,752 |
| 83 | Preferred Dividends | enter positive | p118.29.c | 16,331,327 |
| Common Stock | | | | |
| 84 | Proprietary Capital | | p112.16.c | 1,942,999,979 |
| 85 | Less Accumulated Other Comprehensive Income Account 219 | | p112.15.c | 81,345 |
| 86 | Less Preferred Stock | | (Line 94) | 250,000,000 |
| 87 | Less Account 216.1 | | p112.12.c | 2,754,990 |
| 88 | Common Stock | | (Line 84 - 85 - 86 - 87) | 1,690,163,644 |
| Capitalization | | | | |
| 89 | Long Term Debt | | p112.18.c, 19.c & 21.c | 1,474,040,000 |
| 90 | Less Loss on Reacquired Debt | | p111.81.c | 27,466,008 |
| 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) | 1,446,573,992 |
| 94 | Preferred Stock | | p112.3.c | 250,000,000 |
| 95 | Common Stock | | (Line 88) | 1,690,163,644 |
| 96 | Total Capitalization | | (Sum Lines 93 to 95) | 3,386,737,636 |
| 97 | Debt % | Total Long Term Debt | (Line 93 / Line 96) | 42.7% |
| 98 | Preferred % | Preferred Stock | (Line 94 / Line 96) | 7.4% |
| 99 | Common % | Common Stock | (Line 95 / Line 96) | 49.9% |
| 100 | Debt Cost | Total Long Term Debt | (Line 82 / Line 93) | 0.0669 |
| 101 | Preferred Cost | Preferred Stock | (Line 83 / Line 94) | 0.0653 |
| 102 | Common Cost | Common Stock | (Note J) Fixed | 0.1168 |
| 103 | Weighted Cost of Debt | Total Long Term Debt (WCLTD) | (Line 97 * Line 100) | 0.0286 |
| 104 | Weighted Cost of Preferred | Preferred Stock | (Line 98 * Line 101) | 0.0048 |
| 105 | Weighted Cost of Common | Common Stock | (Line 99 * Line 102) | 0.0583 |
| 106 | Rate of Return on Rate Base (ROR) | | (Sum Lines 103 to 105) | 0.0917 |
| 107 | Investment Return = Rate Base * Rate of Return | | (Line 46 * Line 106) | 66,097,943 |

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 | $T=1 - \frac{((1 - SIT) * (1 - FIT))}{(1 - SIT * FIT * p)}$ | 41.49% |
| 112 | T / (1-T) | | 70.92% |
| ITC Adjustment | | | |
| 113 | Amortized Investment Tax Credit - Transmission Related | Attachment 5 | -515,054 |
| 114 | ITC Adjust. Allocated to Trans. - Grossed Up | ITC Adjustment x 1 / (1-T) | -880,336 |
| 115 | Income Tax Component = | $(T/1-T) * \text{Investment Return} * (1-(WCLTD/ROR)) =$ | 32,274,738 |
| 116 | Total Income Taxes | (Line 114 + Line 115) | 31,394,402 |

Revenue Requirement

| Summary | | | |
|---------|--|------------|-------------|
| 117 | Net Property, Plant & Equipment | (Line 33) | 762,816,730 |
| 118 | Total Adjustment to Rate Base | (Line 45) | -41,746,501 |
| 119 | Rate Base | (Line 46) | 721,070,229 |
| 120 | Total Transmission O&M | (Line 70) | 53,866,121 |
| 121 | Total Transmission Depreciation & Amortization | (Line 77) | 23,465,900 |
| 122 | Taxes Other than Income | (Line 79) | 2,516,752 |
| 123 | Investment Return | (Line 107) | 66,097,943 |
| 124 | Income Taxes | (Line 116) | 31,394,402 |

| | | | |
|------------|----------------------------------|-------------------------------|--------------------|
| 125 | Gross Revenue Requirement | (Sum Lines 120 to 124) | 177,341,118 |
|------------|----------------------------------|-------------------------------|--------------------|

Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities

| | | | |
|-----|---|-----------------------|--------------------|
| 126 | Transmission Plant In Service | (Line 15) | 1,259,407,293 |
| 127 | Excluded Transmission Facilities | (Note M) Attachment 5 | 0 |
| 128 | Included Transmission Facilities | (Line 126 - Line 127) | 1,259,407,293 |
| 129 | Inclusion Ratio | (Line 128 / Line 126) | 100.00% |
| 130 | Gross Revenue Requirement | (Line 125) | 177,341,118 |
| 131 | Adjusted Gross Revenue Requirement | (Line 129 * Line 130) | 177,341,118 |

Revenue Credits

| | | | |
|-----|-----------------|--------------|------------|
| 132 | Revenue Credits | Attachment 3 | 16,831,109 |
|-----|-----------------|--------------|------------|

| | | | |
|------------|--------------------------------|------------------------------|--------------------|
| 133 | Net Revenue Requirement | (Line 131 - Line 132) | 160,510,009 |
|------------|--------------------------------|------------------------------|--------------------|

Net Plant Carrying Charge

| | | | |
|-----|--|---|-------------|
| 134 | Gross Revenue Requirement | (Line 130) | 177,341,118 |
| 135 | Net Transmission Plant | (Line 18 - Line 26 + Line 35) | 722,841,709 |
| 136 | Net Plant Carrying Charge | (Line 134 / Line 135) | 24.5339% |
| 137 | Net Plant Carrying Charge without Depreciation | (Line 134 - Line 71) / Line 135 | 21.6562% |
| 138 | Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes | (Line 134 - Line 71 - Line 107 - Line 116) / Line 135 | 8.1688% |

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) | 79,848,774 |
| 140 | Increased Return and Taxes | Attachment 4 | 103,642,990 |
| 141 | Net Revenue Requirement per 100 Basis Point increase in ROE | (Line 139 + Line 140) | 183,491,763 |
| 142 | Net Transmission Plant | (Line 18 - Line 26 + Line 35) | 722,841,709 |
| 143 | Net Plant Carrying Charge per 100 Basis Point increase in ROE | (Line 141 / Line 142) | 25.3848% |
| 144 | Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation | (Line 141 - Line 71) / Line 142 | 22.5071% |

Net Revenue Requirement

| | | | |
|-----|---|------------------------|--------------------|
| 145 | Net Revenue Requirement | (Line 133) | 160,510,009 |
| 146 | True-up amount | Attachment 6 | (474,496) |
| 147 | Facility Credits under Section 30.9 of the PJM OATT | Attachment 5 | - |
| 148 | Net Zonal Revenue Requirement | (Line 145 + 146 + 147) | 160,035,514 |

Network Zonal Service Rate

| | | | |
|-----|-------------------|-------------------|-----------|
| 149 | 1 CP Peak | (Note L) PJM Data | 7,411.0 |
| 150 | Rate (\$/MW-Year) | (Line 148 / 149) | \$ 21,594 |

| | | | |
|------------|--|-------------------|------------------|
| 151 | Network Service Rate (\$/MW/Year) | (Line 150) | \$ 21,594 |
|------------|--|-------------------|------------------|

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.
- 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 1 - Accumulated Deferred Income Taxes (ADIT) Worksheet

| | Transmission Related | Plant Related | Labor Related | Total Transmission ADIT | |
|-------------------------------------|-----------------------|------------------------------|------------------------------|-------------------------|---|
| ADIT-282 | (116,293,230) | 0 | (47,810,108) | | From Acct. 282 total, below |
| ADIT-283 | (3,255,702) | (11,396,606) | (1,229,624) | | From Acct. 283 total, below |
| ADIT-190 | 24,092,501 | 0 | 4,908,141 | | From Acct. 190 total, below |
| Subtotal | (95,456,431) | (11,396,606) | (44,131,591) | | Sum lines 1 through 3 |
| Wages & Salary Allocator | | | 10.8841% | | |
| Net Plant Allocator | | 20.8797% | | | |
| ADIT | (95,456,431) row 4 | (2,379,581) row 5 * row 4 | (4,803,307) row 5 * row 4 | (102,639,318) | Sum Cols. D, E, F; Enter as negative Appendix A, line 42. |

In filling out this attachment, a full and complete description of each item and justification for the allocation to Columns B-F and each separate ADIT item will be listed, dissimilar items with amounts exceeding \$100,000 will be listed separately.

| A | B | C | D | E | F | G |
|--|--------------------|----------------------------------|----------------------|---------------|------------------|---|
| ADIT-190 | Total | Gas, Prod, Dist Or Other Related | Transmission Related | Plant Related | Labor Related | Justification |
| Account 190 | | | | | | |
| Accumulated Deferred Investment Tax Credits (Non-Transmission) | 1,949,398 | 1,949,398 | | | | Basis difference between book plant and tax plant basis related to investment tax credits on distribution property |
| Accumulated Deferred Investment Tax Credits (Transmission) | 671,785 | | 671,785 | | | Basis difference between book plant and tax plant basis related to investment tax credits on transmission property |
| Regulatory Liability - Income Taxes Related to ITC (Non-Tx) | 1,382,531 | 1,382,531 | | | | Liability recorded for regulatory purposes related to accumulated deferred investment tax credit book/tax basis difference on distribution property |
| Regulatory Liability - Income Taxes Related to ITC (Tx) | 476,436 | | 476,436 | | | Liability recorded for regulatory purposes related to accumulated deferred investment tax credit book/tax basis difference on transmission property |
| Contributions in Aid of Construction (Non-Tx) | 79,483,202 | 79,483,202 | | | | Distribution related income that is taxable for tax return purposes, but recorded as a reduction to plant book purposes. |
| Contributions in Aid of Construction (Tx-related) | 24,092,501 | | 24,092,501 | | | Transmission related income that is taxable for tax return purposes, but recorded as a reduction to plant book purposes. |
| Pensions and Post-Retirement | 116,036,167 | 116,036,167 | | | | Expense and equity(FAS158) adjustments for book purposes not deductible for tax purposes |
| Conservation Program Regulatory Asset | 5,743,572 | 5,743,572 | | | | Distribution related expense deferred for book purposes and deducted for tax purposes. |
| Bad Debts | 11,023,538 | 11,023,538 | | | | Retail related book expense not deductible for tax return purposes |
| Taxes Other Than Income Taxes | 6,432,818 | 6,432,818 | | | | Book expense not deductible for tax return purposes - retail related gross receipts and sales & use taxes |
| RAR Adjustments | (11,060,263) | (11,060,263) | | | | Distribution related IRS audit adjustments |
| FAS 109 regulatory assets/liabilities | (41,680) | (41,680) | | | | Asset recorded for regulatory purposes related to book and tax basis non-plant differences |
| Deferred Intercompany Transactions | (230,537) | (230,537) | | | | Retail related income recorded for book purposes not includable in taxable income - related to receivables factoring |
| Workers Compensation | 310,239 | | | | 310,239 | Book expense not deductible for tax return purposes - labor related to all functions |
| Vacation Pay | 4,383,636 | | | | 4,383,636 | Book expense not deductible for tax return purposes - labor related to all functions |
| Deferred Compensation | 214,266 | | | | 214,266 | Book expense not deductible for tax return purposes - labor related to all functions |
| Restructuring Consumer Expense | (110) | (110) | | | | Retail related book expense deferred for book purposes and deducted for tax purposes. |
| Obsolete Inventory | 29,150 | 29,150 | | | | Distribution related book expense not deductible for tax return purposes |
| Environmental Liability | 2,716,847 | 2,716,847 | | | | Distribution related book expense for manufactured gas plants not deductible for tax return purposes. |
| Post Employment Liabilities | 3,344,910 | 3,344,910 | | | | Book expense not deductible for tax return purposes |
| Purita Tax Surcharge | 4,166,639 | 4,166,639 | | | | Distribution related book expense not deductible for tax return purposes. |
| Restructuring write-off - CTC | (232,970) | (232,970) | | | | Retail related income recorded for book purposes not includable in taxable income |
| Book Contingencies | 580,909 | 580,909 | | | | Distribution related book expense not deductible for tax return purposes. |
| State net operating losses | 11,396,498 | 11,396,498 | | | | Income tax benefits recorded for book purposes not recognized for tax return purposes. |
| Retired Miner Health Care Costs | 1,116,977 | 1,116,977 | | | | Book expense not deductible for tax return purposes |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Subtotal - p234 | 263,986,459 | 233,837,596 | 25,240,722 | 0 | 4,908,141 | |
| Less FASB 109 Above if not separately removed | 4,480,150 | 3,331,929 | 1,148,221 | | | |
| Less FASB 106 Above if not separately removed | 7,384,335 | 7,384,335 | | | | |
| Total | 252,121,974 | 223,121,332 | 24,092,501 | 0 | 4,908,141 | |

Instructions for Account 190:

- ADIT items related only to Non-Electric Operations (e.g., Gas, Water, Sewer) or Production are directly assigned to Column C
- ADIT items related only to Transmission are directly assigned to Column D
- ADIT items related to Plant and not in Columns C & D are included in Column E
- ADIT items related to labor and not in Columns C & D are included in Column F

5. Deferred income taxes arise when items are included in taxable income in different periods than they are included in rates, therefore if the item giving rise to the ADIT is not included in the formula, the associated ADIT amount shall be excluded.

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) | 1,353,824 | | |
| 2 PURTA | 4,436,933 | | |
| 3 | | | |
| 4 | | | |
| 5 | | | |
| 6 | | | |
| 7 | | | |
| 8 Total Plant Related | 5,790,757 | 20.8797% | 1,209,095 |
| Labor Related | | | |
| Wages & Salary Allocator | | | |
| 9 Federal FICA | 6,972,144 | | |
| 10 Federal Unemployment | 67,194 | | |
| 11 State Unemployment | 285,060 | | |
| 12 | | | |
| 13 | | | |
| 14 Total Labor Related | 7,324,398 | 10.8841% | 797,192 |
| Other Included | | | |
| Net Plant Allocator | | | |
| 15 PA Capital Stock Tax | 2,444,794 | | |
| 16 Local Franchise & License Tax | 0 | | |
| 17 PA Capital Stock Tax on Securitization Bonds (Source: Attachment 8) | 0 | | |
| 18 | | | |
| 19 Total Other Included | 2,444,794 | 20.8797% | 510,466 |
| 20 Total Included (Lines 8 + 14 + 19) | 15,559,949 | | 2,516,752 |
| Currently Excluded | | | |
| 21 Gross Receipts | 129,299,955 | | |
| 22 Sales and Use | 369,995 | | |
| 23 | | | |
| 24 | | | |
| 25 | | | |
| 26 | | | |
| 27 | | | |
| 28 Subtotal, Excluded | 129,669,950 | | |
| 29 Total, Included and Excluded (Line 20 + Line 28) | 145,229,899 | | |
| 30 Total Other Taxes from p114.14.c less Tax on Securitization Bonds | 145,229,899 | | |
| 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 | 1,123,506 |
| Account 456 - Other Electric Revenues (Note 1) | | |
| 2 | Transmission for Others (Note 3) | - |
| 3 | Schedule 12 Revenues (Note 3) | 6,323,744 |
| 4 | Schedule 1A | 2,716,498 |
| 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) | 2,842,806 |
| 7 | Professional Services provided to others | 2,062,849 |
| 8 | Facilities Charges including Interconnection Agreements (Note 2) | 1,761,706 |
| 9 | Gross Revenue Credits (Sum Lines 1-10) | 16,831,109 |
| 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 | 103,642,990 |
| B | 100 Basis Point increase in ROE | | 1.00% |

Return Calculation

| | | Appendix A Line or Source Reference | |
|---------------------------|---|-------------------------------------|----------------------|
| 1 | Rate Base | (Attachment A Line 46) | 721,070,229 |
| Long Term Interest | | | |
| 2 | Long Term Interest | (Attachment A Line 80) | 96,707,752 |
| 3 | Less LTD Interest on Securitization Bonds | Attachment 8 | - |
| 4 | Long Term Interest | (Line 2 - Line 3) | 96,707,752 |
| 5 | Preferred Dividends | enter positive | p118.29.c |
| | | | 16,331,327 |
| Common Stock | | | |
| 6 | Proprietary Capital | p112.16.c | 1,942,999,979 |
| 7 | Less Accumulated Other Comprehensive Income Account 219 | p112.15.c | 81,345 |
| 8 | Less Preferred Stock | (Attachment A Line 86) | 250,000,000 |
| 9 | Less Account 216.1 | p112.12.c | 2,754,990 |
| 10 | Common Stock | (Line 6 - 7 - 8 - 9) | 1,690,163,644 |
| Capitalization | | | |
| 11 | Long Term Debt | p112.18.c, 19.c & 21.c | 1,474,040,000 |
| 12 | Less Loss on Reacquired Debt | p111.81.c | 27,466,008 |
| 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) | 1,446,573,992 |
| 16 | Preferred Stock | p112.3.c | 250,000,000 |
| 17 | Common Stock | (Line 10) | 1,690,163,644 |
| 18 | Total Capitalization | (Sum Lines 15 to 17) | 3,386,737,636 |
| 19 | Debt % | Total Long Term Debt | (Line 15 / Line 18) |
| | | | 42.7% |
| 20 | Preferred % | Preferred Stock | (Line 16 / Line 18) |
| | | | 7.4% |
| 21 | Common % | Common Stock | (Line 17 / Line 18) |
| | | | 49.9% |
| 22 | Debt Cost | Total Long Term Debt | (Line 4 / Line 15) |
| | | | 0.0669 |
| 23 | Preferred Cost | Preferred Stock | (Line 5 / Line 16) |
| | | | 0.0653 |
| 24 | Common Cost | Common Stock | Fixed |
| | | | 0.1268 |
| 25 | Weighted Cost of Debt | Total Long Term Debt (WCLTD) | (Line 19 * Line 22) |
| | | | 0.0286 |
| 26 | Weighted Cost of Preferred | Preferred Stock | (Line 20 * Line 23) |
| | | | 0.0048 |
| 27 | Weighted Cost of Common | Common Stock | (Line 21 * Line 24) |
| | | | 0.0633 |
| 28 | Rate of Return on Rate Base (ROR) | | (Sum Lines 25 to 27) |
| | | | 0.0967 |
| 29 | Investment Return = Rate Base * Rate of Return | (Line 1 * Line 28) | 69,696,470 |

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 | (515,054) |
| 37 | ITC Adjust. Allocated to Trans. - Grossed Up | (Line 36 * (1 / (1 - Line 33))) | -880,336 |
| 38 | Income Tax Component = | $CIT = (T / (1 - T)) * Investment\ Return * (1 - (WCLTD / R)) =$ | 34,826,856 |
| 39 | Total Income Taxes | | 33,946,519 |

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 | -1,708,088 | -515,054 | -1,193,034 | 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) p.214.d - p214.6.d & Company Records (Note P) Company Records | 36,267,188 | 27,772,086 0 27,772,086 | 4,836,416 0 4,836,416 | 3,658,686 | 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 |

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 | | | |
| 54 | Actual PBOP expense | Company Records | 7,585,144 | | | Current year actual PBOP expense |
| 65 | Property Insurance Account 924 | p323.185.b | 7,151,502 | 0 | 7,151,502 | Annual Premium associated with storm insurance excluding recoveries related to prior periods. (See FM 1 note to page 320 line 185) |

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 | 5,346,917 | 0 | 5,346,917 | |

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 |
|--|--|--|----------------------------------|---|
| 127 | Adjustment to Remove Revenue Requirements Associated with Excluded Transmission Facilities Excluded Transmission Facilities (Note M) | | Enter \$ 0 | General Description of the Facilities None |
| | Instructions: 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 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 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 | | Or Enter \$ | |
| 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 | 136,559,252 | 0 | 58,141,933 | 78,417,319 | 10.8841% | 8,534,984 | 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 | 112,323,875 | 4,033 | 112,319,842 | Adjustment for Ancillary Services p321.88b and p321.92b. |
| 48 | Less Account 565 | p.321.96.b | 76,672,820 | 0 | 76,672,820 | 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 |
|--|--|--|--------|---------------------------------|
| 147 | Net Revenue Requirement 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 |
|--|---|-------------------|-----------|---------------------------------|
| 149 | Network Zonal Service Rate 1 CP Peak | (Note L) PJM Data | 7,411.0 | |

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 2005 | Year 2 2006 | Year 3 2007 | Year 4 2008 | Year 5 2009 | | |
| 71 | Transmission Depreciation Expense Including Amortization of Limited Term Plant | (Note J) Company Records | 18,840,995 | | | | | | | |
| | Transmission Plant Cost of Removal, Net of Salvage | (Note J) Company Records | 1,960,077 | 1,620,600 | 2,266,216 | 2,115,176 | 1,443,339 | 2,355,054 | 9,800,385 | 1,960,077 |
| | Total Transmission Depreciation Expense Including Amortization of Limited Term I | (Note J) Company Records | 20,801,072 | | | | | | | |
| 72 | General Depreciation Expense Including Amortization of Limited Term Plant | (Note J) Company Records | 16,266,676 | | | | | | | |
| | General Plant Cost of Removal, Net of Salvage | (Note J) Company Records | -254,192 | 57,722 | 2,887,440 | -1,060,220 | -929,336 | -2,226,567 | -1,270,961 | -254,192 |
| | Total General Depreciation Expense Including Amortization of Limited Term Plant | (Note J) Company Records | 16,012,484 | | | | | | | |

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 CWIP 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 CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year)
- 8 April Year 3 TO estimates Cap Adds and CWIP 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)
\$ 153,498,083 Rev Req based on Year 1 data Must run Appendix A to get this number (without inputs in lines 16, 17 or 35 of Appendix A)

2 April Year 2 TO estimates all transmission Cap Adds and CWIP 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) |
|---|---|-------------------|--|---|---|--|-----------|--|---------------------|---|--|--|---|
| | Monthly Additions Other Plant In Service | Monthly Additions | Monthly Additions Susq-Rose CWIP < 500KV (b0487.1) | Monthly Additions Susq-Rose PIS < 500KV (b0487.1) | Monthly Additions Susq-Rose CWIP >= 500KV (b0487) | Monthly Additions Susq-Rose PIS >= 500KV (b0487) | Weighting | Other Plant In Service Amount (A x G) | 0 Amount (B x G) | Susq-Rose CWIP Amount (C x G) < 500KV (b0487.1) | Susq-Rose PIS Amount (D x G) < 500KV (b0487.1) | Susq-Rose CWIP Amount (E x G) >= 500KV (b0487) | Susq-Rose PIS Amount (F x G) >= 500KV (b0487) |
| CWIP Balance Dec (prior yr.) | | | 395,068 | | 25,703,638 | | 12 | | | 4,740,816 | | 308,443,656 | |
| Jan | 934,689 | | 52,662 | | 1,012,913 | | 11.5 | 10,748,924 | - | 605,613 | - | 11,648,500 | - |
| Feb | 1,377,045 | | 108,808 | | 748,032 | | 10.5 | 14,458,976 | - | 1,142,484 | - | 7,854,336 | - |
| Mar | 1,309,997 | | 104,055 | | 927,878 | | 9.5 | 12,444,975 | - | 988,523 | - | 8,814,841 | - |
| Apr | 355,110 | | 84,496 | | 1,058,325 | | 8.5 | 3,018,432 | - | 718,216 | - | 8,995,763 | - |
| May | 3,085,919 | | 72,279 | | 1,141,985 | | 7.5 | 23,144,392 | - | 542,095 | - | 8,564,890 | - |
| Jun | 5,706,826 | | 281,847 | | 1,348,287 | | 6.5 | 37,094,368 | - | 1,832,004 | - | 8,763,865 | - |
| Jul | 7,974,811 | | 64,972 | | 1,314,019 | | 5.5 | 43,861,462 | - | 357,348 | - | 7,227,105 | - |
| Aug | 589,184 | | 482,036 | | 2,277,626 | | 4.5 | 2,651,329 | - | 2,169,160 | - | 10,249,317 | - |
| Sep | 355,110 | | 215,668 | | 1,646,630 | | 3.5 | 1,242,884 | - | 754,836 | - | 5,763,206 | - |
| Oct | 1,166,639 | | 443,181 | | 1,575,859 | | 2.5 | 2,916,596 | - | 1,107,953 | - | 3,939,646 | - |
| Nov | 14,475,343 | | 224,182 | | 2,680,318 | | 1.5 | 21,713,014 | - | 336,273 | - | 4,020,477 | - |
| Dec | 21,152,889 | | 76,941 | | 857,137 | | 0.5 | 10,576,444 | - | 38,471 | - | 428,568 | - |
| Total | 58,483,561 | | 2,606,195 | | 42,292,647 | | | 183,871,796 | - | 15,333,791 | - | 394,714,169 | - |
| New Transmission Plant Additions and CWIP (weighted by months in service) | | | | | | | | | | | | | |

Input to Line 17 of Appendix A
Input to Line 35 of Appendix A
Month In Service or Month for CWIP

3 April Year 2 TO adds weighted Cap Adds to plant in service in Formula
\$ 160,395,305 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
\$ 160,395,305 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)
\$ 160,395,305

6 April Year 3 TO populates the formula with Year 2 data from FERC Form No. 1 for Year 2 (e.g., 2008)
 \$ 164,882,058 Rev Req based on Prior Year data Must run Appendix A to get this number (without inputs in lines 16, 17 or 35 of Appendix A)

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 CWIP in Reconciliation (adjusted to include any Reconciliation amount from prior year)

Remove all Cap Adds placed in service in Year 2

For Reconciliation only - remove actual New Transmission Plant Additions for Year 2

\$ 85,314,425 Input to Formula Line 16

Add weighted Cap Adds actually placed in service in Year 2

| | (A) Monthly Additions Other Plant In Service | (B) | (C) Monthly Additions Susq-Rose CWIP < 500KV (b0487.1) | (D) Monthly Additions Susq-Rose PIS < 500KV (b0487.1) | (E) Monthly Additions Susq-Rose CWIP >= 500KV (b0487) | (F) Monthly Additions Susq-Rose PIS >= 500KV (b0487) | (G) Weighting | (H) Other Plant In Service Amount (A x G) | (I) 0 Amount (B x G) 0 | (J) Susq-Rose CWIP Amount (C x G) < 500KV (b0487.1) | (K) Susq-Rose PIS Amount (D x G) < 500KV (b0487.1) | (L) Susq-Rose CWIP Amount (E x G) >= 500KV (b0487) | (M) Susq-Rose PIS Amount (F x G) >= 500KV (b0487) |
|------------------------------|--|-----|---|--|--|---|------------------|---|---------------------------------|--|---|---|--|
| CWIP Balance Dec (prior yr.) | | | 395,068 | | 25,703,638 | | 12 | | | 4,740,816 | | 308,443,656 | |
| Jan | 371,722 | | 52,662 | | 449,949 | | 11.5 | 4,274,799 | | 605,613 | | 5,174,414 | 6,474,125 |
| Feb | 1,378,042 | | 108,808 | | 749,030 | | 10.5 | 14,469,438 | | 1,142,484 | | 7,864,815 | (10,461) |
| Mar | 1,309,997 | | 104,055 | | 927,878 | | 9.5 | 12,444,975 | | 988,523 | | 8,814,841 | - |
| Apr | 487,797 | | 84,496 | | 1,058,290 | | 8.5 | 5,946,273 | | 718,216 | | 8,995,465 | - |
| May | 1,751,524 | | 161,662 | | 1,131,056 | | 7.5 | 13,136,427 | | 1,212,465 | | 8,482,920 | - |
| Jun | 8,894,133 | | 467,329 | | 2,008,770 | | 6.5 | 57,811,862 | | 3,037,639 | | 13,057,005 | - |
| Jul | 10,805,887 | | 208,304 | | 1,549,463 | | 5.5 | 59,432,379 | | 1,145,672 | | 8,522,047 | - |
| Aug | 3,607,193 | | -39,784 | 653,882 | 1,902,556 | | 4.5 | 16,232,369 | | (1,619,027) | 2,942,468 | 8,561,502 | - |
| Sep | 4,356,739 | | 53,326 | 299,599 | 1,095,387 | | 3.5 | 15,248,587 | | 186,641 | 1,048,597 | 3,833,855 | - |
| Oct | 7,466,478 | | 398,088 | 14,562 | 1,679,263 | | 2.5 | 18,666,195 | | 995,220 | 36,405 | 4,198,158 | - |
| Nov | 11,031,371 | | -853,442 | 1,049,167 | 925,161 | | 1.5 | 16,547,057 | | (1,280,163) | 1,573,750 | 1,387,742 | - |
| Dec | 29,809,480 | | -155,862 | 120,983 | 1,350,998 | | 0.5 | 14,904,740 | | (77,931) | 60,491 | 675,499 | 572,949 |
| Total | 81,470,362 | | 664,710 | 2,138,193 | 40,531,439 | | | 249,015,101 | | 11,796,167 | 5,661,712 | 388,011,917 | 7,036,613 |

New Transmission Plant Additions and CWIP (weighted by months in service)

Input to Line 17 of Appendix A
 Input to Line 35 of Appendix A
 Month In Service or Month for CWIP

\$ 160,510,009 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 in)

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

159,937,032

The forecast in Prior Year

160,395,305

=

(458,273)

Interest on Amount of Refunds or Surcharges

Interest rate pursuant to 35.19a for March of the Current Yr

0.2800%

| Month | Yr | 1/12 of Step 8 (See Note #1) | Interest rate for March of the Current Yr | Months | Interest | Surcharge (Refund) Owed |
|---------------------|--------|---------------------------------|--|-----------------------------|-----------|-------------------------|
| Jun | Year 1 | (38,189) | 0.2800% | 11.5 | (1,230) | (39,419) |
| Jul | Year 1 | (38,189) | 0.2800% | 10.5 | (1,123) | (39,312) |
| Aug | Year 1 | (38,189) | 0.2800% | 9.5 | (1,016) | (39,205) |
| Sep | Year 1 | (38,189) | 0.2800% | 8.5 | (909) | (39,098) |
| Oct | Year 1 | (38,189) | 0.2800% | 7.5 | (802) | (38,991) |
| Nov | Year 1 | (38,189) | 0.2800% | 6.5 | (695) | (38,884) |
| Dec | Year 1 | (38,189) | 0.2800% | 5.5 | (588) | (38,777) |
| Jan | Year 2 | (38,189) | 0.2800% | 4.5 | (481) | (38,671) |
| Feb | Year 2 | (38,189) | 0.2800% | 3.5 | (374) | (38,564) |
| Mar | Year 2 | (38,189) | 0.2800% | 2.5 | (267) | (38,457) |
| Apr | Year 2 | (38,189) | 0.2800% | 1.5 | (160) | (38,350) |
| May | Year 2 | (38,189) | 0.2800% | 0.5 | (53) | (38,243) |
| Total | | (458,273) | | | | (465,972) |
| Jun | Year 2 | (465,972) | Interest rate from above | Amortization over Rate Year | Balance | (427,735) |
| Jul | Year 2 | (427,735) | 0.2800% | (39,541) | (389,391) | |
| Aug | Year 2 | (389,391) | 0.2800% | (39,541) | (350,940) | |
| Sep | Year 2 | (350,940) | 0.2800% | (39,541) | (312,382) | |
| Oct | Year 2 | (312,382) | 0.2800% | (39,541) | (273,715) | |
| Nov | Year 2 | (273,715) | 0.2800% | (39,541) | (234,940) | |
| Dec | Year 2 | (234,940) | 0.2800% | (39,541) | (196,057) | |
| Jan | Year 3 | (196,057) | 0.2800% | (39,541) | (157,064) | |
| Feb | Year 3 | (157,064) | 0.2800% | (39,541) | (117,963) | |
| Mar | Year 3 | (117,963) | 0.2800% | (39,541) | (78,752) | |
| Apr | Year 3 | (78,752) | 0.2800% | (39,541) | (39,431) | |
| May | Year 3 | (39,431) | 0.2800% | (39,541) | 0 | |
| Total with interest | | | | | (474,496) | |

The difference between the Reconciliation in Step 7 and the forecast in Prior Year with interest

(474,496)

Rev Req based on Year 2 data with estimated Cap Adds and CWIP for Year 3 (Step 9)

\$

-

Revenue Requirement for Year 3

(474,496)

9 April Year 3 TO estimates Cap Adds and CWIP during Year 3 weighted based on Months expected to be in service in Year 3 (e.g., 2009)

| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) | (L) | (M) |
|---|---|-------------------|--|---|--|---|-----------|--|---------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|
| | Monthly Additions Other Plant In Service | Monthly Additions | Monthly Additions Susq-Rose CWIP < 500kV (b0487.1) | Monthly Additions Susq-Rose PIS < 500kV (b0487.1) | Monthly Additions Susq-Rose CWIP ≥ 500kV (b0487) | Monthly Additions Susq-Rose PIS ≥ 500kV (b0487) | Weighting | Other Plant In Service Amount (A x G) | 0 Amount (B x G) | Susq-Rose CWIP Amount (C x G) | Susq-Rose PIS Amount (D x G) | Susq-Rose CWIP Amount (E x G) | Susq-Rose PIS Amount (F x G) |
| CWIP Balance Dec (prior yr.) | | | | | | | 12 | | 0 | | | | |
| Jan | | | | | | | 11.5 | - | - | - | - | - | - |
| Feb | | | | | | | 10.5 | - | - | - | - | - | - |
| Mar | | | | | | | 9.5 | - | - | - | - | - | - |
| Apr | | | | | | | 8.5 | - | - | - | - | - | - |
| May | | | | | | | 7.5 | - | - | - | - | - | - |
| Jun | | | | | | | 6.5 | - | - | - | - | - | - |
| Jul | | | | | | | 5.5 | - | - | - | - | - | - |
| Aug | | | | | | | 4.5 | - | - | - | - | - | - |
| Sep | | | | | | | 3.5 | - | - | - | - | - | - |
| Oct | | | | | | | 2.5 | - | - | - | - | - | - |
| Nov | | | | | | | 1.5 | - | - | - | - | - | - |
| Dec | | | | | | | 0.5 | - | - | - | - | - | - |
| Total | | | | | | | | | | | | | |
| New Transmission Plant Additions and CWIP (weighted by months in service) | | | | | | | | | | | | | |

Input to Line 17 of Appendix A
Input to Line 35 of Appendix A
Month In Service or Month for CWIP

10 May Year 3 Post results of Step 9 on PJM web site
\$ 160,510,009 Post results of Step 3 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)
\$ 160,510,009

| (N) Other Plant In Service (H / I 12) | (O) 0 (I / I 12) (b0171.2) | (P) Susq-Rose CWIP (J / I 12) < 500kV (b0487.1) | (Q) Susq-Rose PIS (K / I 12) < 500kV (b0487.1) | (R) Susq-Rose CWIP (L / I 12) >= 500kV (b0487) | (S) Susq-Rose PIS (M / I 12) >= 500kV (b0487) | Total |
|---|-------------------------------------|--|---|---|--|------------|
| | | 395,068 | | 25,703,638 | | |
| 895,744 | - | 50,468 | - | 970,708 | - | |
| 1,204,915 | - | 95,207 | - | 654,528 | - | |
| 1,037,081 | - | 82,377 | - | 734,570 | - | |
| 251,536 | - | 59,851 | - | 749,647 | - | |
| 1,928,699 | - | 45,175 | - | 713,741 | - | |
| 3,091,197 | - | 152,667 | - | 730,322 | - | |
| 3,655,122 | - | 29,779 | - | 602,259 | - | |
| 220,944 | - | 180,763 | - | 854,110 | - | |
| 103,574 | - | 62,903 | - | 480,267 | - | |
| 243,050 | - | 92,329 | - | 328,304 | - | |
| 1,809,418 | - | 28,023 | - | 335,040 | - | |
| 881,370 | - | 3,206 | - | 35,714 | - | |
| 15,322,650 | - | 1,277,816 | - | 32,892,847 | - | - |
| 15,322,650 | - | | - | | - | 15,322,650 |
| 8.86 | - | 1,277,816 | - | 32,892,847 | - | 34,170,663 |
| | | 6.12 | - | 2.67 | - | |

| (N) Other Plant In Service (H / I 2) | (O) 0 (I / I 2) (b0171.2) | (P) Susq-Rose CWIP (J / I 2) < 500kV (b0487.1) | (Q) Susq-Rose PIS (K / I 2) < 500kV (b0487.1) | (R) Susq-Rose CWIP (L / I 2) >= 500kV (b0487) | (S) Susq-Rose PIS (M / I 2) >= 500kV (b0487) | Total |
|--|------------------------------------|---|--|--|---|------------|
| | | 395,068 | | 25,703,638 | | |
| 356,233 | - | 50,468 | - | 431,201 | 539,510 | |
| 1,205,786 | - | 95,207 | - | 655,401 | (872) | |
| 1,037,061 | - | 82,377 | - | 734,570 | - | |
| 487,189 | - | 59,851 | - | 749,622 | - | |
| 1,094,702 | - | 101,039 | - | 706,910 | - | |
| 4,817,655 | - | 253,137 | - | 1,088,084 | - | |
| 4,952,698 | - | 95,473 | - | 710,171 | - | |
| 1,352,697 | - | (134,919) | 245,206 | 713,459 | - | |
| 1,270,716 | - | 15,553 | 87,383 | 319,488 | - | |
| 1,555,516 | - | 82,935 | 3,034 | 349,846 | - | |
| 1,378,921 | - | (106,680) | 131,146 | 115,645 | - | |
| 1,242,062 | - | (6,494) | 5,041 | 56,292 | 47,746 | |
| 20,751,258 | - | 983,014 | 471,809 | 32,334,326 | 586,384 | |
| 20,751,258 | - | | 471,809 | | 586,384 | 21,809,452 |
| 8.94 | - | 983,014 (5.75) | 9.35 | 32,334,326 2.43 | 7.88 | 33,317,340 |

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 | 21.6562% | |
| 5 | B 144 | Net Plant Carrying Charge per 100 Basis Point in ROE without Depreciation | 22.5071% | |
| 6 | C | Line B less Line A | 0.8509% | |
| 7 | FCR if a CIAC | | | |
| 8 | D 138 | Net Plant Carrying Charge without Depreciation, Return, nor Income Taxes | 8.1688% | |

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

| 10 | Details | | Susquehanna - Roseland CWP (B04B7) -- 500kV | | | | Susquehanna - Roseland PIS (B04B7) -- 500kV | | | | Hosemack Wavetrap (B071.2) | | | | Alburtis Wavetrap (B072.1) | | | | Junata Wavetrap (B02B4.2) | | | | Susquehanna - Roseland CWP (B04B7.1) - 500kV | | | | Susquehanna - Roseland PIS (B04B7.1) - 500kV | | | | Total | Incentive Charged | Revenue Credit | |
|----|--|------------|---|--------------|------------|-----------|---|--------------|-----------|----------|----------------------------|--------------|----------|---------|----------------------------|--------------|--------|-----------|---------------------------|--------------|---------|---------|--|--------------|-----------|---------|--|--------------|--------|-----------|-------|-------------------|----------------|-----------|
| | Schedule 12 (Yes or No) | Life | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | Yes | No | | | | | | |
| 11 | Yes | 42.00 | | | Yes | 42.00 | | | Yes | 42.00 | | | Yes | 42.00 | | | Yes | 42.00 | | | Yes | 42.00 | | | Yes | 42.00 | | | | | | | | |
| 12 | Useful life of the project | 42.00 | | | 42.00 | | | 42.00 | | 42.00 | | | 42.00 | | 42.00 | | | 42.00 | | | 42.00 | | | 42.00 | | 42.00 | | | | | | | | |
| 13 | CIAC | Yes | | | Yes | | | Yes | | Yes | | | Yes | | Yes | | | Yes | | Yes | | | Yes | | Yes | | Yes | | | | | | | |
| 14 | Input the allowed increase in ROE | 125 | | | 125 | | | 125 | | 125 | | | 125 | | 125 | | | 125 | | 125 | | | 125 | | 125 | | 125 | | | | | | | |
| 15 | 11.68% ROE | 21.6562% | | | 21.6562% | | | 21.6562% | | 21.6562% | | | 21.6562% | | 21.6562% | | | 21.6562% | | 21.6562% | | | 21.6562% | | 21.6562% | | 21.6562% | | | | | | | |
| 16 | FCR for this Project | 22.7198% | | | 22.7198% | | | 22.7198% | | 22.7198% | | | 22.7198% | | 22.7198% | | | 22.7198% | | 22.7198% | | | 22.7198% | | 22.7198% | | 22.7198% | | | | | | | |
| 17 | Investment | 32,334,326 | | | 1,707,870 | | | 86,626 | | 62,067 | | | 123,504 | | 983,014 | | | 2,138,193 | | 9,25 | | | 803,014 | | 2,138,193 | | 50,909 | | | | | | | |
| 18 | Annual Depreciation Exp | 749,845 | | | 2,063 | | | 1,478 | | 2,063 | | | 2,941 | | 23,405 | | | 9,25 | | 9,25 | | | 23,405 | | 9,25 | | | | | | | | | |
| 19 | Month in which project is placed in service (e.g. Jan=1) | | | | 7.88 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20 | | Invest Yr | Beginning | Depreciation | Ending | Revenue | Beginning | Depreciation | Ending | Revenue | Beginning | Depreciation | Ending | Revenue | Beginning | Depreciation | Ending | Revenue | Beginning | Depreciation | Ending | Revenue | Beginning | Depreciation | Ending | Revenue | Beginning | Depreciation | Ending | Revenue | Total | Incentive Charged | Revenue Credit | |
| 21 | W 11.68 % ROE | 2008 | 5,534,456 | - | 5,534,456 | 433,646 | - | - | - | - | 86,626 | 1,454 | 85,172 | 12,921 | 62,067 | 991 | 61,076 | 8,811 | - | - | - | - | - | - | - | - | - | - | - | - | \$ | 455,377 | \$ | 455,377 |
| 22 | W Increased ROE | 2008 | 5,534,456 | - | 5,534,456 | 433,742 | - | - | - | - | 86,626 | 1,454 | 85,172 | 12,921 | 62,067 | 991 | 61,076 | 8,811 | - | - | - | - | - | - | - | - | - | - | - | - | \$ | 475,473 | \$ | 475,473 |
| 23 | W 11.68 % ROE | 2009 | 25,703,638 | - | 25,703,638 | 3,744,759 | - | - | - | - | 85,172 | 2,063 | 83,109 | 19,836 | 61,076 | 1,478 | 59,598 | 14,223 | 123,504 | 2,941 | 120,563 | 28,723 | 395,068 | 43,820 | - | - | - | - | - | - | \$ | 3,851,361 | \$ | 3,851,361 |
| 24 | W Increased ROE | 2009 | 25,703,638 | - | 25,703,638 | 3,928,397 | - | - | - | - | 85,172 | 2,063 | 83,109 | 19,836 | 61,076 | 1,478 | 59,598 | 14,223 | 123,504 | 2,941 | 120,563 | 28,723 | 395,068 | 45,969 | - | - | - | - | - | - | \$ | 4,037,148 | \$ | 4,037,148 |
| 25 | W 11.68 % ROE | 2010 | 32,334,326 | - | 32,334,326 | 7,002,386 | 1,707,870 | 17,350 | 1,690,519 | 173,957 | 83,109 | 2,063 | 81,047 | 19,614 | 59,598 | 1,478 | 58,121 | 14,064 | 120,563 | 2,941 | 117,623 | 28,413 | 983,014 | 212,883 | 2,138,193 | 15,476 | 2,122,717 | 155,227 | \$ | 7,606,140 | \$ | 7,606,140 | | |
| 26 | W Increased ROE | 2010 | 32,334,326 | - | 32,334,326 | 7,346,302 | 1,707,870 | 17,350 | 1,690,519 | 181,259 | 83,109 | 2,063 | 81,047 | 19,614 | 59,598 | 1,478 | 58,121 | 14,064 | 120,563 | 2,941 | 117,623 | 28,413 | 983,014 | 223,336 | 2,138,193 | 15,476 | 2,122,717 | 162,086 | \$ | 7,975,046 | \$ | 7,975,046 | | |
| 27 | W 11.68 % ROE | 2011 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 28 | W Increased ROE | 2011 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 29 | W 11.68 % ROE | 2012 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 30 | W Increased ROE | 2012 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 31 | W 11.68 % ROE | 2013 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 32 | W Increased ROE | 2013 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 33 | W 11.68 % ROE | 2014 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 34 | W Increased ROE | 2014 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 35 | W 11.68 % ROE | 2015 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 36 | W Increased ROE | 2015 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 37 | W 11.68 % ROE | 2016 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 38 | W Increased ROE | 2016 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 39 | W 11.68 % ROE | 2017 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 40 | W Increased ROE | 2017 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 41 | W 11.68 % ROE | 2018 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 42 | W Increased ROE | 2018 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 43 | W 11.68 % ROE | 2019 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 44 | W Increased ROE | 2019 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 45 | W 11.68 % ROE | 2020 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 46 | W Increased ROE | 2020 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 47 | W 11.68 % ROE | 2021 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 48 | W Increased ROE | 2021 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 49 | W 11.68 % ROE | 2022 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 50 | W Increased ROE | 2022 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 51 | W 11.68 % ROE | 2023 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 52 | W Increased ROE | 2023 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 53 | W 11.68 % ROE | 2024 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 54 | W Increased ROE | 2024 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 55 | W 11.68 % ROE | 2025 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | \$ | - | \$ | - |
| 56 | W Increased ROE | 2025 | - | - | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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 | 0 | (See FM 1, note to page 114, line 4) |
| | Taxes Other Than Income | | |
| 78 | Less Taxes Other Than Income on Securitization Bonds | 0 | (See FM 1, note to page 114, line 14) |
| | Long Term Interest | | |
| 81 | Less LTD Interest on Securitization Bonds | 0 | (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

| (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) | (I) | (J) | (K) |
|---------------------|--|----------------|-----------------|-------------|----------------|---------------------------|----------------------------|-----------------------------|------------------------|-------------------------|
| Number | Plant Type | Estimated Life | Mortality Curve | Current Age | Remaining Life | Applied Depreciation Rate | Gross Depreciable Plant \$ | Accumulated Depreciation \$ | Depreciable Balance \$ | Depreciation Expense \$ |
| Transmission | | | | | | | | | | |
| 350.4 | Land Rights | 70 | S4 | 27.3 | 42.70 | 2.4205 | 76,529,766 | 36,101,592 | 40,428,174 | 978,550 |
| 352 | Structures and Improvements | 55 | R4 | 22.1 | 32.90 | 3.1865 | 32,234,094 | 15,390,510 | 16,843,584 | 536,727 |
| 353 | Station Equipment | 47 | R1 | 11.3 | 35.70 | 2.7125 | 463,105,775 | 166,810,048 | 296,295,727 | 8,036,921 |
| 354 | Towers and Fixtures | 65 | R3 | 16.7 | 48.30 | 2.0926 | 316,907,912 | 122,005,476 | 194,902,436 | 4,078,597 |
| 354.2 | Towers and Fixtures - Clearing Land and Rights of Way | 70 | R4 | 26.1 | 43.90 | 2.4551 | 11,837,792 | 6,406,813 | 5,430,979 | 133,335 |
| 355 | Poles and Fixtures | 55 | R1.5 | 14.7 | 40.30 | 2.6906 | 96,686,181 | 41,907,549 | 54,778,632 | 1,473,892 |
| 355.2 | Poles and Fixtures - Clearing Land and Rights of Way | 70 | R4 | 23.4 | 46.60 | 2.2579 | 7,350,196 | 3,723,626 | 3,626,570 | 81,886 |
| 356 | Overhead Conductors and Devices | 55 | R3 | 18.3 | 36.70 | 2.8867 | 214,236,652 | 112,601,625 | 101,635,027 | 2,933,942 |
| 357 | Underground Conduit | 50 | R4 | 14.7 | 35.30 | 2.1195 | 7,920,279 | 1,942,179 | 5,978,100 | 126,705 |
| 358 | Underground Conductors and Devices | 40 | R3 | 10.4 | 29.60 | 3.0815 | 19,052,515 | 7,102,013 | 11,950,502 | 368,252 |
| 359 | Roads and Trails | 70 | R4 | 24.8 | 45.20 | 2.0661 | 7,100,485 | 2,638,539 | 4,461,946 | 92,186 |
| General | | | | | | | | | | |
| 389.4 | Land Rights | 65 | R4 | 39.1 | 25.90 | 3.3009 | 4,398 | 1,293 | 3,105 | 102 |
| 390.2 | Structures and Improvements - Buildings | 55 | S0 | 36.7 | 18.30 | 2.1716 | 285,937,122 | 65,668,154 | 220,268,968 | 4,783,385 |
| 390.21 | Structures and Improvements - Leaseholds | 10 | NA | | 8.50 | - | 741,658 | 146,510 | 595,148 | 0 |
| 390.4 | Structures and Improvements - Air Conditioning | 30 | R2 | 9.5 | 20.50 | 5.2528 | 27,716,836 | 11,928,572 | 15,788,264 | 829,321 |
| 391.2 | Office Furniture and Equipment - Furniture | 20 | NA | | 10.60 | 5.0803 | 19,642,155 | 7,752,859 | 11,889,296 | 997,877 |
| 391.4 | Office Furniture and Equipment - Mechanical Equipment | 15 | NA | | 10.80 | 6.3826 | 2,156,531 | 461,731 | 1,694,800 | 137,642 |
| 391.6 | Office Furniture and Equipment - Computer Equipment - General | 5 | NA | | 3.20 | 15.9991 | 1,829,318 | 377,011 | 1,452,307 | 292,675 |
| 391.8 | Office Furniture and Equipment - Computer Equipment - Power Mgt System | 7 | NA | | - | 14.2800 | 38,155,394 | 38,155,394 | 0 | 0 |
| 392.1 | Transportation Equipment - 5 Years | 5 | R4 | 0.5 | 4.50 | 29.3692 | 3,630,474 | 1,547,437 | 2,083,037 | 611,771 |
| 392.2 | Transportation Equipment - 8 Years | 8 | S3 | 2.1 | 5.90 | 22.6497 | 16,859,250 | 6,821,960 | 10,037,290 | 2,273,415 |
| 392.3 | Transportation Equipment - 10 Years | 11 | R2.5 | 4.8 | 6.20 | 7.3834 | 62,059,350 | 23,937,777 | 38,121,573 | 2,814,665 |
| 392.4 | Transportation Equipment - Trailers | 16 | L1 | (0.1) | 16.10 | 7.7039 | 5,946,837 | 1,337,116 | 4,609,721 | 355,130 |
| 392.5 | Transportation Equipment - 15 Years | 14 | L2 | 4.5 | 9.50 | 12.2947 | 2,690,498 | 671,333 | 2,019,165 | 248,250 |
| 392.6 | Transportation Equipment - 20 Years | 18 | L1.5 | 4.5 | 13.50 | 9.1032 | 653,799 | 27,672 | 626,127 | 56,998 |
| 393 | Store Equipment | 25 | NA | | 10.10 | 4.7651 | 2,666,983 | 1,018,124 | 1,648,859 | 127,084 |
| 394 | Tools, Shop and Garage Equipment - Distribution Line Crews | 20 | NA | | 10.20 | 5.7422 | 5,404,957 | 1,654,050 | 3,750,907 | 310,362 |
| 394.2 | Tools, Shop and Garage Equipment - Tools | 20 | NA | | 10.20 | 7.0416 | 293,480 | 75,695 | 217,785 | 20,666 |
| 394.4 | Tools, Shop and Garage Equipment - Construction Department | 20 | NA | | 6.90 | 5.6703 | 2,091,372 | 899,659 | 1,191,713 | 118,588 |
| 394.6 | Tools, Shop and Garage Equipment - Other | 20 | NA | | 12.30 | 4.5580 | 16,526,912 | 5,176,283 | 11,350,629 | 753,301 |
| 394.8 | Tools, Shop and Garage Equipment - Garage Tools Support | 20 | NA | | 4.10 | 5.3358 | 6,822,834 | 4,961,739 | 1,861,095 | 364,053 |
| 395 | Laboratory Equipment | 20 | NA | | 13.60 | 3.7132 | 4,359,317 | 1,366,068 | 2,993,249 | 161,872 |
| 396 | Power Operated Equipment | 15 | NA | | 9.90 | 10.4546 | 1,462,610 | 682,190 | 780,420 | 152,911 |
| 397 | Communication Equipment | 15 | NA | | 13.10 | 6.2733 | 12,014,703 | 8,685,401 | 3,329,302 | 753,714 |
| 398 | Miscellaneous Equipment | 20 | NA | | 6.30 | 6.5787 | 1,564,034 | 545,740 | 1,018,294 | 102,894 |
| Intangible | | | | | | | | | | |
| 303.2 | Intangible Computer Software | 5 | NA | | 3.90 | 20.00 | 53,692,822 | 23,792,308 | 29,900,514 | 8,409,653 |
| 303.4 | Other Amortized Property | 15 | NA | | 2.40 | 6.67 | 1,035,137 | 957,857 | 77,280 | 61,643 |

Notes:

- Columns (A), (B), (C), and (D) are fixed and cannot be changed absent Commission approval or acceptance.
- Column (E) is based on the Estimated Life in Column (C) less the Remaining Life in Column (F) for those accounts for which using a Mortality Curve is identified.
- Column (F) is the average remaining life of the assets in the account based on their vintage.
- Column (G) is the depreciation rate from the Mortality Curve specified based on data in Columns (C) and (D).
- Columns (H) and (I) are the depreciable gross plant investment and accumulated depreciation in the account or subaccount.
- Column (J) is the depreciable net plant in the account or subaccount.
- Column (K) is Column (G) multiplied by Column (J) for those accounts that have an identified Mortality Curve.
- Each year, PPL Electric will provide a copy of the annual report submitted to the PA PUC that shows the calculation of the depreciation rates and expenses derived from Columns (C) and (D).
- Every 5 years, PPL Electric will file with the Commission a depreciation study supporting its existing Estimated Life and Mortality Curve for each account or subaccount.
- Column (K) for Accounts Nos. 303.2 and 303.4 are calculated using individual asset depreciation and, therefore, are not derived values.
- Column (K) for Account No. 392.3 is net of capitalized depreciation expense. See the applicable note in FERC Form No. 1.
- For those General Plant accounts that do not have Mortality Curves as indicated by "NA" in Column (D), additional detail is provided in Attachment 9 - Supplemental General Plant Depreciation Details.

PPL Electric Utilities Corporation

Attachment 9 - Supplemental
General Plant Depreciation Details

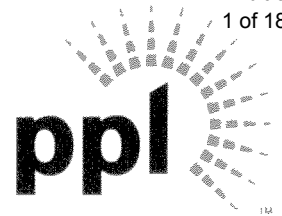
| (A) Number | (B) Plant Type | (C) Estimated Life | (G) Applied Depreciation Rate | (H) Gross Depreciable Plant \$ | (I) Accumulated Depreciation \$ | (J) Depreciable Balance \$ | (K) Depreciation Expense \$ |
|----------------|--|--------------------------|-------------------------------------|---|--|-------------------------------------|--------------------------------------|
| General | | | | | | | |
| 390.21 | Structures and Improvements - Leaseholds - Net Method | 10 | - | 741,658 | 146,510 | 595,148 | 0 |
| 391.2 | Office Furniture and Equipment - Furniture - Gross Method | 20 | 4.6756 | 13,435,622 | 3,107,028 | 10,328,594 | 628,201 |
| 391.2 | Office Furniture and Equipment - Furniture - Net Method | 20 | 23.6865 | 6,206,534 | 4,645,831 | 1,560,703 | 369,677 |
| | | | | 19,642,156 | 7,752,859 | 11,889,297 | 997,877 |
| 391.4 | Office Furniture and Equipment - Mechanical Equipment - Gross Method | 15 | 6.2439 | 2,077,078 | 401,412 | 1,675,666 | 129,691 |
| 391.4 | Office Furniture and Equipment - Mechanical Equipment - Net Method | 15 | 41.5555 | 79,453 | 60,320 | 19,133 | 7,951 |
| | | | | 2,156,531 | 461,732 | 1,694,799 | 137,642 |
| 391.6 | Office Furniture and Equipment - Computer Equipment - General- Gross Method | 5 | 15.9991 | 1,829,318 | 377,011 | 1,452,307 | 292,675 |
| 391.8 | Office Furniture and Equipment - Computer Equipment - Power Mgt System- Gross Method | 7 | 14.2800 | 38,155,394 | 38,155,394 | 0 | 0 |
| 393 | Store Equipment - Gross Method | 25 | 4.0006 | 1,270,821 | 308,414 | 962,407 | 50,840 |
| 393 | Store Equipment - Net Method | 25 | 11.1070 | 1,396,162 | 709,710 | 686,452 | 76,244 |
| | | | | 2,666,983 | 1,018,124 | 1,648,859 | 127,084 |
| 394 | Tools, Shop and Garage Equipment - Distribution Line Crews - Gross Method | 20 | 5.0059 | 2,371,043 | 471,711 | 1,899,332 | 118,693 |
| 394 | Tools, Shop and Garage Equipment - Distribution Line Crews - Net Method | 20 | 10.3517 | 3,033,914 | 1,182,338 | 1,851,576 | 191,669 |
| | | | | 5,404,957 | 1,654,049 | 3,750,908 | 310,362 |
| 394.2 | Tools, Shop and Garage Equipment - Tools - Gross Method | 20 | 5.0000 | 133,692 | 15,735 | 117,957 | 6,685 |
| 394.2 | Tools, Shop and Garage Equipment - Tools - Net Method | 20 | 14.0053 | 159,788 | 59,960 | 99,828 | 13,981 |
| | | | | 293,480 | 75,695 | 217,785 | 20,666 |
| 394.4 | Tools, Shop and Garage Equipment - Construction Department - Gross Method | 20 | 5.6632 | 2,083,421 | 897,095 | 1,186,326 | 117,989 |
| 394.4 | Tools, Shop and Garage Equipment - Construction Department - Net Method | 20 | 11.1111 | 7,951 | 2,563 | 5,388 | 599 |
| | | | | 2,091,372 | 899,658 | 1,191,713 | 118,588 |
| 394.6 | Tools, Shop and Garage Equipment - Gross Method | 20 | 4.2524 | 12,696,907 | 2,170,269 | 10,526,638 | 539,928 |
| 394.6 | Tools, Shop and Garage Equipment - Net Method | 20 | 25.8950 | 3,830,005 | 3,006,014 | 823,991 | 213,373 |
| | | | | 16,526,912 | 5,176,283 | 11,350,629 | 753,301 |
| 394.8 | Tools, Shop and Garage Equipment - Garage Tools Support - Gross Method | 20 | 2.8801 | 912,445 | 49,592 | 862,853 | 26,279 |
| 394.8 | Tools, Shop and Garage Equipment - Garage Tools Support - Net Method | 20 | 33.8368 | 5,910,388 | 4,912,147 | 998,241 | 337,773 |
| | | | | 6,822,833 | 4,961,739 | 1,861,094 | 364,052 |
| 395 | Laboratory Equipment - Gross Method | 20 | 3.0307 | 2,169,813 | 256,214 | 1,913,599 | 65,761 |
| 395 | Laboratory Equipment - Net Method | 20 | 8.9020 | 2,189,504 | 1,109,854 | 1,079,650 | 96,111 |
| | | | | 4,359,317 | 1,366,068 | 2,993,249 | 161,872 |
| 396 | Power Operated Equipment - Gross Method | 15 | 6.6667 | 478,248 | 157,149 | 321,099 | 31,883 |
| 396 | Power Operated Equipment - Net Method | 15 | 26.3492 | 984,362 | 525,041 | 459,321 | 121,027 |
| | | | | 1,462,610 | 682,190 | 780,420 | 152,911 |
| 397 | Communication Equipment - Gross Method | 15 | 6.0503 | 11,334,124 | 8,424,298 | 2,909,826 | 685,744 |
| 397 | Communication Equipment - Net Method | 15 | 16.2035 | 680,579 | 261,103 | 419,476 | 67,970 |
| | | | | 12,014,703 | 8,685,401 | 3,329,302 | 753,714 |
| 398 | Miscellaneous Equipment - Gross Method | 20 | 4.9367 | 380,153 | 114,096 | 266,057 | 18,767 |
| 398 | Miscellaneous Equipment - Net Method | 20 | 11.1836 | 1,183,881 | 431,644 | 752,237 | 84,127 |
| | | | | 1,564,034 | 545,740 | 1,018,294 | 102,894 |

Notes:

1 This schedule shows additional detail for those General Plant accounts that do not have a Mortality Curve. The calculation of Depreciation Expense by the Gross Plant Method (i.e., Column (G) multiplied by Column (H)) and the Net Plant Method (i.e., Column (G) multiplied by Column (J)) is shown separately for the assets in each account subject to each such method. Assets purchased new are depreciated using the Gross Plant Method. Assets purchased used are depreciated using the Net Plant Method (i.e., over their remaining economic life).

EXHIBIT 5

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



FEDERAL EXPRESS

April 5, 2011

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

**Re: PPL Electric Utilities Corporation
Annual Depreciation Report for the
Year Ended December 31, 2010
Docket No. M-110500.F2009ADR**

Dear Ms. Chiavetta:

Enclosed for filing on behalf of PPL Electric Utilities Corporation ("PPL Electric") are an original and two (2) copies of PPL Electric's Annual Depreciation Report ("ADR") for the year ended December 31, 2010. This report is being filed in compliance with the Commission's regulations at 52 Pa. Code § 73.1, et seq.

Pursuant to 52 Pa. Code § 1.11, the enclosed document is to be deemed filed on April 5, 2011, which is the date it was deposited with an overnight express delivery service as shown on the delivery receipt attached to the mailing envelope.

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

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

Very truly yours,

A handwritten signature in black ink that reads "Paul E. Russell". The signature is written in a cursive, flowing style.

Paul E. Russell

Enclosures

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

PPL ELECTRIC UTILITIES CORPORATION
ANNUAL DEPRECIATION REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010
DOCKET NO. M-110500.F2011ADR

PPL ELECTRIC UTILITIES CORPORATION
ANNUAL DEPRECIATION REPORT
FOR THE YEAR ENDED DECEMBER 31, 2010
DOCKET NO. M-110500.F2011ADR

EXECUTIVE SUMMARY

This report is prepared by PPL Electric Utilities Corporation ("PPL Electric") in response to the requirements related to the monitoring of depreciation practices set forth in 52 Pa. Code Chapter 73.9(a). In accordance with these requirements, the report presents a comparison of annual and accrued depreciation by function at December 31, 2008, December 31, 2009 and December 31, 2010; a calculation of remaining life depreciation accrual rates as of December 31, 2010; the 2010 retirements expressed as a percent of the original cost; a summary of the depreciation reserve activity, including the reserve as a percent of original cost; an explanation of any unusual retirements; the net salvage amortization amount for 2011, based on experience for the period 2006 through 2010, and an explanation of exclusions from the experienced net salvage.

The survivor curves presented herein were based on an updated service life study incorporating statistical analyses of data through 2007. The prior service life study was based on data through December 31, 2002. The same methods of depreciation are used in this report as were used in previous Annual Depreciation Reports submitted by PPL Electric during the period 2003 through 2009.

Table 1 sets forth comparisons of the original cost, book reserve and calculated annual depreciation accruals by function at December 31, 2008, December 31, 2009 and December 31, 2010. The annual accrual amounts, as

summarized, are presented as a percent of original cost for each function and for the total Company.

The composite annual depreciation accrual rate for Intangible Plant increased from December 31, 2008 through December 31, 2010. The rate increased from December 31, 2008 through December 31, 2010 due to high growth. The composite rate for Transmission Plant basically is unchanged from December 31, 2008 through December 31, 2010. The composite annual accrual rate for Distribution Plant from December 31, 2008 through December 31, 2010 basically is unchanged. The composite rate for General Plant decreased from December 31, 2008 through December 31, 2010. The composite rate decreased from December 31, 2008 to December 31, 2009 due to the high growth primarily in the long-lived assets. The composite rate from December 31, 2009 to December 31, 2010 basically is unchanged.

Table 2 summarizes the calculated annual depreciation accrual rates and book depreciation reserve by account at December 31, 2010. Tables 3 and 4 present a summary of the plant and reserve activity, respectively, for 2010. A review of any unusual entries is set forth in the section "2010 Plant and Reserve Activity", beginning on page 3. Table 5 sets forth the net salvage accruals for 2011, as determined by the 5-year amortization of the experience during the prior 5-year period 2006 through 2010.

REMAINING LIFE DEPRECIATION ACCRUAL RATES

The annual depreciation accrual rates are calculated as of December 31, 2010 and are based on the straight-line method using the average service life procedure. The annual depreciation accrual rates as of December 31, 2010 are set forth in column 8 of Table 2. The annual accrual rate equals the annual accrual amount in column 6 divided by the original cost in column 3 of Table 2.

For the purpose of calculating the composite remaining life accrual rates as of December 31, 2010, the book reserve by plant account is allocated among vintages in proportion to the calculated accrued depreciation. Descriptions of the derivation of remaining life accruals at a given point in time for all vintages calculated by the average service life (ASL) procedure follow. An example of the calculation is set forth on pages 4 through 6.

For all vintages, the remaining life annual accrual for each vintage is determined by dividing future book accruals (original cost less book reserve) by the average remaining life (expectancy) of the vintage. The average remaining life is derived directly from the estimated future survivor curve in accordance with the average service life procedure.

The annual accrual rate for each account is equal to the sum of the remaining life annual accruals divided by the total original cost. The composite remaining life is calculated by dividing the sum of the future book accruals by the sum of the remaining life annual accruals.

For certain General Plant accounts, the amortization amounts, annual and accrued, were based on the age of the vintage and the selected amortization period.

2010 PLANT AND RESERVE ACTIVITY

Table 3 and Table 4, shown on pages 12 through 15, present summaries by account of the plant and reserve accounting activity for 2010. Table 3 sets forth the original cost as of December 31, 2009, the beginning balance; additions; retirements; transfers or adjustments; the balance at the end of the year, December 31, 2010; and, the retirements expressed as a percent of the beginning plant balance.

PPL ELECTRIC UTILITIES CORPORATION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.4 POLES, TOWERS AND FIXTURES - POLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUT. BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 44-01 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1916 | 15.23 | 15 | 15 | | | |
| 1917 | 341.73 | 342 | 342 | | | |
| 1918 | 2,226.53 | 2,227 | 2,227 | | | |
| 1919 | 256.69 | 257 | 257 | | | |
| 1920 | 980.31 | 980 | 980 | | | |
| 1921 | 516.37 | 516 | 516 | | | |
| 1922 | 3,551.51 | 3,552 | 3,552 | | | |
| 1923 | 14,517.29 | 14,435 | 14,517 | | | |
| 1924 | 25,988.89 | 25,547 | 25,989 | | | |
| 1925 | 11,195.49 | 10,878 | 11,195 | | | |
| 1926 | 24,560.93 | 23,583 | 24,561 | | | |
| 1927 | 54,715.36 | 51,919 | 54,715 | | | |
| 1928 | 58,304.38 | 54,660 | 58,304 | | | |
| 1929 | 39,509.70 | 36,590 | 39,510 | | | |
| 1930 | 67,149.80 | 61,429 | 67,150 | | | |
| 1931 | 26,461.55 | 23,905 | 26,462 | | | |
| 1932 | 9,840.12 | 8,777 | 9,840 | | | |
| 1933 | 12,773.65 | 11,250 | 12,774 | | | |
| 1934 | 13,296.20 | 11,558 | 13,296 | | | |
| 1935 | 13,257.18 | 11,375 | 13,257 | | | |
| 1936 | 2,321,098.70 | 1,965,042 | 2,321,099 | | | |
| 1937 | 279,075.39 | 233,084 | 279,075 | | | |
| 1938 | 138,010.30 | 113,707 | 138,010 | | | |
| 1939 | 166,376.02 | 135,181 | 166,376 | | | |
| 1940 | 191,637.68 | 153,521 | 191,638 | | | |
| 1941 | 279,829.65 | 221,009 | 279,830 | | | |
| 1942 | 145,210.48 | 113,032 | 145,210 | | | |
| 1943 | 242,171.06 | 185,745 | 242,171 | | | |
| 1944 | 907,425.96 | 685,742 | 907,426 | | | |
| 1945 | 521,346.78 | 388,038 | 521,347 | | | |
| 1946 | 900,960.14 | 660,404 | 900,960 | | | |
| 1947 | 1,075,061.91 | 775,765 | 1,075,062 | | | |
| 1948 | 498,606.47 | 354,110 | 498,606 | | | |
| 1949 | 380,127.57 | 265,671 | 380,128 | | | |
| 1950 | 416,571.12 | 286,393 | 416,571 | | | |
| 1951 | 629,198.26 | 425,401 | 629,198 | | | |
| 1952 | 861,005.76 | 572,397 | 861,006 | | | |

PPL ELECTRIC UTILITIES CORPORATION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.4 POLES, TOWERS AND FIXTURES - POLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUT. BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|-----------------------------|-------------------------|------------------------------|-------------------------------|------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 44-01 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1953 | 746,596.59 | 487,826 | 746,597 | | | |
| 1954 | 744,038.11 | 477,672 | 744,038 | | | |
| 1955 | 1,339,662.34 | 844,925 | 1,329,683 | 9,979 | 16.25 | 614 |
| 1956 | 1,322,873.92 | 819,256 | 1,289,287 | 33,587 | 16.75 | 2,005 |
| 1957 | 1,251,837.41 | 761,117 | 1,197,792 | 54,045 | 17.25 | 3,133 |
| 1958 | 1,112,198.23 | 663,537 | 1,044,227 | 67,971 | 17.75 | 3,829 |
| 1959 | 1,647,869.54 | 964,333 | 1,517,598 | 130,272 | 18.25 | 7,138 |
| 1960 | 1,565,720.68 | 898,567 | 1,414,101 | 151,620 | 18.75 | 8,086 |
| 1961 | 1,763,871.67 | 992,178 | 1,561,419 | 202,453 | 19.25 | 10,517 |
| 1962 | 1,755,513.07 | 967,463 | 1,522,524 | 232,989 | 19.75 | 11,797 |
| 1963 | 2,554,450.41 | 1,378,892 | 2,170,002 | 384,448 | 20.25 | 18,985 |
| 1964 | 2,656,871.77 | 1,403,891 | 2,209,343 | 447,529 | 20.75 | 21,568 |
| 1965 | 3,143,442.71 | 1,625,160 | 2,557,561 | 585,882 | 21.25 | 27,571 |
| 1966 | 3,333,097.34 | 1,685,547 | 2,652,593 | 680,504 | 21.75 | 31,288 |
| 1967 | 4,112,490.14 | 2,032,804 | 3,199,082 | 913,408 | 22.25 | 41,052 |
| 1968 | 4,233,792.37 | 2,044,922 | 3,218,152 | 1,015,640 | 22.75 | 44,644 |
| 1969 | 5,917,290.81 | 2,790,594 | 4,391,637 | 1,525,654 | 23.25 | 65,620 |
| 1970 | 5,359,669.28 | 2,466,520 | 3,881,633 | 1,478,036 | 23.75 | 62,233 |
| 1971 | 5,949,189.44 | 2,670,591 | 4,202,785 | 1,746,404 | 24.25 | 72,017 |
| 1972 | 8,094,802.96 | 3,541,476 | 5,573,322 | 2,521,481 | 24.75 | 101,878 |
| 1973 | 13,305,525.77 | 5,669,485 | 8,922,230 | 4,383,296 | 25.25 | 173,596 |
| 1974 | 10,422,966.08 | 4,323,446 | 6,803,930 | 3,619,036 | 25.75 | 140,545 |
| 1975 | 11,181,394.60 | 4,510,575 | 7,098,420 | 4,082,975 | 26.25 | 155,542 |
| 1976 | 12,523,142.85 | 4,909,072 | 7,725,547 | 4,797,596 | 26.75 | 179,349 |
| 1977 | 12,321,267.00 | 4,690,706 | 7,381,898 | 4,939,369 | 27.25 | 181,261 |
| 1978 | 13,220,722.74 | 4,882,413 | 7,683,592 | 5,537,131 | 27.75 | 199,536 |
| 1979 | 12,993,052.76 | 4,651,513 | 7,320,219 | 5,672,834 | 28.25 | 200,808 |
| 1980 | 12,773,853.21 | 4,427,418 | 6,967,554 | 5,806,299 | 28.75 | 201,958 |
| 1981 | 11,116,375.68 | 3,726,209 | 5,864,041 | 5,252,335 | 29.25 | 179,567 |
| 1982 | 10,986,502.12 | 3,558,528 | 5,600,157 | 5,386,345 | 29.75 | 181,054 |
| 1983 | 10,821,517.29 | 3,381,724 | 5,321,915 | 5,499,602 | 30.25 | 181,805 |
| 1984 | 14,031,089.31 | 4,224,761 | 6,648,627 | 7,382,462 | 30.75 | 240,080 |
| 1985 | 14,648,668.32 | 4,245,184 | 6,680,767 | 7,967,901 | 31.25 | 254,973 |
| 1986 | 16,891,804.04 | 4,702,678 | 7,400,738 | 9,491,066 | 31.75 | 298,931 |
| 1987 | 18,069,404.55 | 4,824,531 | 7,592,502 | 10,476,903 | 32.25 | 324,865 |
| 1988 | 16,797,328.08 | 4,295,077 | 6,759,285 | 10,038,043 | 32.75 | 306,505 |
| 1989 | 16,911,570.78 | 4,131,497 | 6,501,855 | 10,409,716 | 33.25 | 313,074 |

PPL ELECTRIC UTILITIES CORPORATION
ACCOUNT 101 AND 106 ELECTRIC PLANT IN SERVICE

ACCOUNT 364.4 POLES, TOWERS AND FIXTURES - POLES

CALCULATED REMAINING LIFE DEPRECIATION ACCRUAL
RELATED TO ORIGINAL COST AT DECEMBER 31, 2010

| YEAR (1) | ORIGINAL COST (2) | CALCULATED ACCRUED (3) | ALLOC. BOOK RESERVE (4) | FUT. BOOK ACCRUALS (5) | REM. LIFE (6) | ANNUAL ACCRUAL (7) |
|---|-------------------------|------------------------------|-------------------------------|------------------------------|---------------------|--------------------------|
| SURVIVOR CURVE.. IOWA 44-01 | | | | | | |
| NET SALVAGE PERCENT.. 0 | | | | | | |
| 1990 | 18,230,177.02 | 4,247,631 | 6,684,618 | 11,545,559 | 33.75 | 342,091 |
| 1991 | 19,364,761.84 | 4,291,231 | 6,753,233 | 12,611,529 | 34.25 | 368,220 |
| 1992 | 18,497,875.03 | 3,888,253 | 6,119,055 | 12,378,820 | 34.75 | 356,225 |
| 1993 | 20,966,586.74 | 4,170,254 | 6,562,847 | 14,403,740 | 35.25 | 408,617 |
| 1994 | 20,337,050.87 | 3,813,197 | 6,000,937 | 14,336,114 | 35.75 | 401,010 |
| 1995 | 21,193,021.01 | 3,732,091 | 5,873,298 | 15,319,723 | 36.25 | 422,613 |
| 1996 | 16,491,120.06 | 2,717,737 | 4,276,980 | 12,214,140 | 36.75 | 332,358 |
| 1997 | 17,880,333.59 | 2,742,843 | 4,316,490 | 13,563,844 | 37.25 | 364,130 |
| 1998 | 16,508,763.64 | 2,344,244 | 3,689,204 | 12,819,560 | 37.75 | 339,591 |
| 1999 | 22,992,329.97 | 3,005,098 | 4,729,208 | 18,263,122 | 38.25 | 477,467 |
| 2000 | 24,424,131.28 | 2,913,799 | 4,585,528 | 19,838,603 | 38.75 | 511,964 |
| 2001 | 21,505,453.63 | 2,322,589 | 3,655,125 | 17,850,329 | 39.25 | 454,785 |
| 2002 | 30,126,727.88 | 2,910,242 | 4,579,931 | 25,546,797 | 39.75 | 642,687 |
| 2003 | 23,754,662.36 | 2,023,897 | 3,185,064 | 20,569,598 | 40.25 | 511,046 |
| 2004 | 23,252,574.13 | 1,718,365 | 2,704,240 | 20,548,334 | 40.75 | 504,254 |
| 2005 | 23,262,065.75 | 1,453,879 | 2,288,011 | 20,974,055 | 41.25 | 508,462 |
| 2006 | 32,360,009.94 | 1,653,597 | 2,602,313 | 29,757,697 | 41.75 | 712,759 |
| 2007 | 30,708,798.74 | 1,222,210 | 1,923,426 | 28,785,373 | 42.25 | 681,311 |
| 2008 | 32,615,275.91 | 926,274 | 1,457,704 | 31,157,572 | 42.75 | 728,832 |
| 2009 | 37,461,434.68 | 636,844 | 1,002,220 | 36,459,215 | 43.25 | 842,988 |
| 2010 | 41,871,306.27 | 238,666 | 375,595 | 41,495,711 | 43.75 | 948,473 |
| | 811,759,096.47 | 165,533,066 | 258,394,852 | 553,364,246 | | 15,107,307 |
| COMPOSITE REMAINING LIFE AND ANNUAL ACCRUAL RATE, PCT.. | | | | | 36.6 | 1.86 |

The retirements for Account 368.6, Line Transformers - Non-Network Housing, were due to the change in older style transformers. The retirements for Accounts 391.20, Office Furniture and Equipment - Furniture; 393, Stores Equipment; 394.4, Tools and Work Equipment - Const. Dept; 394.8, Tools and Work Equipment - Garage Equipment; and 398, Miscellaneous Equipment, were high due to amortization accounting for years with high installations. The high retirements in Accounts 392.2, Transportation Equipment - 8 years; 392.3, Transportation Equipment - 10 years; 392.5, Transportation Equipment - 15 years; and 392.6, Transportation Equipment - 20 years, were due to the continual plan to keep the vehicle fleet in operation.

Table 4 sets forth the book depreciation reserve balance at the beginning of the year, January 1, 2010; annual accruals; retirements; gross salvage; cost of removal; transfers or adjustments; the balance at the end of the year, December 31, 2010; and, the book reserve as a percent of the plant balance as of December 31, 2010.

AMORTIZATION OF NET SALVAGE

The 2011 amortization amounts for net negative salvage of \$10,694,312, based on the experienced net salvage during the 5-year period 2006 through 2010. The calculation of the amortization amount for each plant account is set forth in Table 5 shown on page 16. The tabulation sets forth the cost of removal, gross salvage, net salvage and the amortization amount, which is one-fifth of the total net salvage for the 5-year period.

In 2010, PPL Electric experienced no retirements that were incurred under unusual or extraordinary circumstances and, therefore, it submits no such retirements for Commission review.

PPL ELECTRIC UTILITIES CORPORATION

TABLE 1. ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS BY FUNCTION RELATED TO UTILITY PLANT AT DECEMBER 31, 2008, DECEMBER 31, 2009 AND DECEMBER 31, 2010

| | 2008 | 2009 | 2010 |
|---------------------------------------|------------------|------------------|------------------|
| INTANGIBLE AND NONDEPRECIABLE | | | |
| ORGANIZATION | 476,251.80 | 476,251.80 | 476,251.80 |
| FRANCHISES AND CONSENTS | 147,083.87 | 147,083.87 | 147,083.87 |
| LAND | 25,231,257.46 | 25,517,433.72 | 28,024,338.81 |
| INTANGIBLE PLANT (AMORTIZABLE) | | | |
| ORIGINAL COST (DEPRECIABLE) | 18,102,965.98 | 38,044,424.69 | 54,727,959.52 |
| BOOK ACCRUED DEPRECIATION | 10,567,150 | 16,264,270 | 24,750,165 |
| BOOK RESERVE % OF O.C. | 58.37% | 42.75% | 45.22% |
| ORIGINAL COST DEPRECIATED | 7,535,816 | 21,780,154 | 29,977,795 |
| ANNUAL DEPRECIATION EXPENSE | 1,952,493 | 5,602,699 | 8,799,449 |
| ANNUAL % OF O.C. | 10.79% | 14.73% | 16.08% |
| TRANSMISSION PLANT | | | |
| ORIGINAL COST (DEPRECIABLE) | 1,144,920,225.66 | 1,176,640,260.78 | 1,253,121,776.47 |
| BOOK ACCRUED DEPRECIATION | 484,565,964 | 498,092,123 | 510,178,462 |
| BOOK RESERVE % OF O.C. | 42.32% | 42.33% | 40.71% |
| ORIGINAL COST DEPRECIATED | 660,354,253 | 678,548,129 | 742,943,314 |
| ANNUAL DEPRECIATION EXPENSE | 16,909,934 | 17,473,543 | 18,974,574 |
| ANNUAL % OF O.C. | 1.48% | 1.49% | 1.51% |
| DISTRIBUTION PLANT | | | |
| ORIGINAL COST (DEPRECIABLE) | 3,527,020,134.82 | 3,648,891,650.35 | 3,820,989,365.93 |
| BOOK ACCRUED DEPRECIATION | 1,366,359,444 | 1,417,640,278 | 1,473,409,439 |
| BOOK RESERVE % OF O.C. | 38.74% | 38.85% | 38.56% |
| ORIGINAL COST DEPRECIATED | 2,160,660,694 | 2,231,251,384 | 2,347,579,943 |
| ANNUAL DEPRECIATION EXPENSE | 76,931,318 | 80,065,892 | 84,547,018 |
| ANNUAL % OF O.C. | 2.18% | 2.19% | 2.21% |
| GENERAL PLANT | | | |
| ORIGINAL COST (DEPRECIABLE) | 461,867,618.63 | 489,376,960.76 | 521,230,822.78 |
| BOOK ACCRUED DEPRECIATION | 156,840,248 | 174,587,340 | 186,667,231 |
| BOOK RESERVE % OF O.C. | 33.96% | 35.68% | 35.81% |
| ORIGINAL COST DEPRECIATED | 305,027,374 | 314,789,630 | 334,563,606 |
| ANNUAL DEPRECIATION EXPENSE | 23,803,280 | 24,058,577 | 25,589,637 |
| ANNUAL % OF O.C. | 5.15% | 4.92% | 4.91% |
| TOTAL COMPANY | | | |
| ORIGINAL COST (DEPRECIABLE) | 5,177,765,538.22 | 5,379,094,065.97 | 5,678,717,599.18 |
| BOOK ACCRUED DEPRECIATION | 2,018,332,806 | 2,106,584,011 | 2,195,005,297 |
| BOOK RESERVE % OF O.C. | 38.98% | 39.16% | 38.65% |
| ORIGINAL COST DEPRECIATED | 3,133,578,137 | 3,246,369,297 | 3,455,064,658 |
| ANNUAL DEPRECIATION EXPENSE | 119,597,025 | 127,200,711 | 137,910,678 |
| ANNUAL % OF O.C. | 2.31% | 2.36% | 2.43% |

PPL ELECTRIC UTILITIES CORPORATION

TABLE 2. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AT DECEMBER 31, 2010

| Depreciable Plant | Depreciable Group (1) | Survivor Curve (2) | Original Cost at December 31, 2010 (3) | Book Reserve (4) | Future Accruals (5) | Annual Accrual Amount (6) | Composite Remaining Life (7) | Annual Accrual Rate, Percent (8) |
|---------------------------------|--|-----------------------|---|---------------------|------------------------|------------------------------|---------------------------------|-------------------------------------|
| | | | | | | | | |
| Intangible Plant | | | | | | | | |
| 303.2 | Miscellaneous Intangible Plant - Software | 5-SQ | 53,692,822.42 | 23,792,308 | 29,900,515 | 8,747,929 | 3.4 | 16.29 |
| 303.4 | Miscellaneous Intangible Plant - Fiber Optic | 15-SQ | 1,035,137.10 | 957,857 | 77,280 | 51,520 | 1.5 | 4.98 |
| Total Intangible Plant | | | | | | | | |
| | | | 54,727,959.52 | 24,750,165 | 29,977,795 | 8,799,449 | 3.4 | 16.08 |
| Transmission Plant | | | | | | | | |
| 350.4 | Land Rights | 70-S4 | 76,671,710.36 | 36,075,276 | 40,596,436 | 950,017 | 42.7 | 1.24 |
| 352 | Structures and Improvements | 55-R4 | 32,234,093.60 | 15,350,571 | 16,883,523 | 513,332 | 32.9 | 1.59 |
| 353 | Station Equipment | 47-R1 | 463,105,774.69 | 165,408,378 | 297,697,399 | 8,350,119 | 35.7 | 1.80 |
| 354 | Towers and Fixtures | 65-R3 | 316,907,911.31 | 121,355,057 | 195,552,854 | 4,052,899 | 48.3 | 1.28 |
| 354.2 | Towers and Fixtures - Clearing ROW | 70-R4 | 11,837,792.31 | 6,401,870 | 5,435,917 | 123,838 | 43.9 | 1.05 |
| 355 | Poles and Fixtures | 55-R1 | 96,686,180.60 | 38,717,019 | 57,969,162 | 1,437,351 | 40.3 | 1.49 |
| 355.2 | Poles and Fixtures - Clearing ROW | 70-R4 | 7,350,195.96 | 3,720,761 | 3,629,439 | 77,968 | 46.6 | 1.06 |
| 356 | Overhead Conductors and Devices | 55-R3 | 214,254,838.71 | 111,517,184 | 102,737,653 | 2,796,001 | 36.7 | 1.30 |
| 357 | Underground Conduit | 50-R4 | 7,920,278.67 | 1,940,791 | 5,979,488 | 169,190 | 35.3 | 2.14 |
| 358 | Underground Conductors and Devices | 40-R3 | 19,052,515.05 | 7,054,996 | 11,997,518 | 405,012 | 29.6 | 2.13 |
| 359 | Roads and Trails | 70-R4 | 7,100,485.21 | 2,636,559 | 4,463,925 | 98,847 | 45.2 | 1.39 |
| Total Transmission Plant | | | 1,253,121,776.47 | 510,178,462 | 742,943,314 | 18,974,574 | 39.2 | 1.51 |
| Distribution Plant | | | | | | | | |
| 360.4 | Land Rights | 65-R3 | 64,483,311.71 | 28,039,483 | 36,443,832 | 771,743 | 47.2 | 1.20 |
| 361 | Structures and Improvements | 65-R2.5 | 27,679,627.91 | 13,048,026 | 14,631,605 | 314,334 | 46.5 | 1.14 |
| 362 | Station Equipment | 50-R2 | 308,696,537.13 | 105,927,974 | 202,768,564 | 5,480,669 | 37.0 | 1.78 |
| 364.2 | Poles, Towers and Fixtures - Towers | 55-R3 | 19,010,154.64 | 5,739,190 | 13,270,961 | 326,370 | 40.7 | 1.72 |
| 364.4 | Poles, Towers and Fixtures - Poles | 44-O1 | 811,759,096.47 | 258,394,852 | 553,364,246 | 15,107,307 | 36.6 | 1.86 |
| 364.6 | Poles, Towers and Fixtures - Clearing Towers | 55-S3 | 210,420.57 | 59,266 | 151,155 | 3,798 | 39.8 | 1.80 |
| 364.8 | Poles, Towers and Fixtures - Clearing Poles | 65-R3 | 37,168,112.23 | 18,150,912 | 19,017,203 | 400,574 | 47.5 | 1.08 |
| 365 | Overhead Conductors and Devices | 45-R1 | 659,331,059.75 | 243,837,955 | 415,493,108 | 11,667,637 | 35.6 | 1.77 |
| 366 | Underground Conduit | 55-R3 | 145,637,882.94 | 41,258,144 | 104,379,739 | 2,680,144 | 38.9 | 1.84 |
| 367 | Underground Conductors and Devices | 43-S1.5 | 425,962,353.28 | 141,716,557 | 284,245,798 | 8,663,086 | 32.8 | 2.03 |
| 368.2 | Line Transformers - Overhead | 34-SQ | 221,005,671.02 | 99,995,507 | 121,010,166 | 7,609,683 | 15.9 | 3.44 |
| 368.4 | Line Transformers - Submersible & Pad Mount | 48-SQ | 169,266,116.25 | 64,933,174 | 104,332,945 | 3,234,273 | 32.3 | 1.91 |
| 368.6 | Line Transformers - Non-Network Housing | 35-SQ | 383,094.29 | 325,197 | 57,897 | 14,127 | 4.1 | 3.69 |
| 369 | Services | 42-R1.5 | 571,030,349.75 | 274,794,788 | 296,235,559 | 9,159,835 | 32.3 | 1.60 |
| 370.1 | Meters | 28-SQ | 72,772,292.32 | 43,069,882 | 29,702,409 | 3,087,852 | 9.6 | 4.24 |
| 370.2 | Meters - AMR | 15-SQ | 188,497,438.28 | 79,974,240 | 108,523,199 | 13,995,627 | 7.8 | 7.42 |
| 370.4 | Meters - Smart Grid | 15-SQ | 262,425.68 | 3,739 | 258,687 | 17,840 | 14.5 | 6.80 |
| 371.2 | Installations on Customers' Premises | 35-R3 | 319,228.36 | (51,809) | 371,038 | 26,591 | 14.0 | 8.33 |
| 371.4 | Area Lighting Fixtures | 19-L0.5 | 6,757,559.74 | 3,973,170 | 2,784,389 | 197,471 | 14.1 | 2.92 |
| 373.2 | Street Lighting and Signal Systems | 30-L1.5 | 90,756,633.61 | 50,219,192 | 40,537,443 | 1,788,057 | 22.7 | 1.97 |
| Total Distribution Plant | | | 3,820,989,365.93 | 1,473,409,439 | 2,347,579,943 | 84,547,018 | 27.8 | 2.21 |

PPL ELECTRIC UTILITIES CORPORATION

TABLE 2. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO UTILITY PLANT AT DECEMBER 31, 2010

| | (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) |
|--------|---|----------------|------------------------------------|----------------------|----------------------|-----------------------|--------------------------|----------------------|
| | Depreciable Group | Survivor Curve | Original Cost at December 31, 2010 | Book Reserve | Future Accruals | Annual Accrual Amount | Composite Remaining Life | Annual Rate, Percent |
| | General Plant | | | | | | | |
| 389.4 | Land Rights | | | | | | | |
| 390.2 | Structures and Improvements | 65-R4 | 4,398.53 | 1,293 | 3,106 | 120 | 25.9 | 2.73 |
| | - Buildings - Major | 55-S0 | 282,220,054.09 | 62,474,477 | 219,745,583 | 12,019,922 | 18.3 | 4.26 |
| | - Buildings - Minor | 45-R3 | 3,717,068.55 | 1,102,401 | 2,614,664 | 119,802 | 21.8 | 3.22 |
| | <i>Total Account 390.2</i> | | <u>285,937,122.64</u> | <u>63,576,878</u> | <u>222,360,247</u> | <u>12,139,724</u> | <u>18.3</u> | <u>4.25</u> |
| 390.21 | Structures and Improvements - Leaseholds | 10-SQ | 741,657.92 | 146,510 | 595,148 | 70,017 | 8.5 | 9.44 |
| 390.4 | Structures and Improvements - Air Cond. | 30-R2 | 27,716,835.86 | 11,642,656 | 16,074,181 | 782,466 | 20.5 | 2.82 |
| 391.2 | Office Furniture and Equipment - Furniture | 20-SQ | 19,642,155.44 | 7,752,824 | 11,889,332 | 1,118,561 | 10.6 | 5.59 |
| 391.4 | Office Furniture and Equipment - Equipment | 15-SQ | 2,156,531.24 | 454,007 | 1,702,525 | 157,983 | 10.8 | 7.33 |
| 391.6 | Office Furniture and Equipment - Computers | 5-SQ | 1,829,317.74 | 377,010 | 1,452,308 | 448,021 | 3.2 | 24.49 |
| 391.8 | Office Furniture and Equipment - Power Mgmt. Sys. | 7-SQ | 38,155,394.44 | 38,155,394 | 0 | 0 | - | - |
| 392.1 | Transportation Equipment - 5 Years | 5-SQ | 3,630,473.71 | 1,729,111 | 1,901,362 | 421,467 | 4.5 | 11.61 |
| 392.2 | Transportation Equipment - 8 Years | 8-SQ | 16,859,250.20 | 8,114,316 | 8,744,936 | 1,494,581 | 5.9 | 8.87 |
| 392.3 | Transportation Equipment - 10 Years | 10-SQ | 62,059,349.70 | 26,910,083 | 35,149,267 | 5,653,388 | 6.2 | 9.11 |
| 392.4 | Transportation Equipment - Trailers | 19-L0.5 | 5,946,836.85 | 1,342,588 | 4,604,251 | 285,455 | 16.1 | 4.80 |
| 392.5 | Transportation Equipment - 15 Years | 15-SQ | 2,690,498.47 | 671,333 | 2,019,165 | 211,872 | 9.5 | 7.87 |
| 392.6 | Transportation Equipment - 20 Years | 20-SQ | 653,798.58 | 28,342 | 625,456 | 46,339 | 13.5 | 7.09 |
| 393 | Stores Equipment | 25-SQ | 2,666,982.96 | 1,018,331 | 1,648,652 | 163,154 | 10.1 | 6.12 |
| 394 | Tools and Work Equipment - L&S Line Crews | 20-SQ | 5,404,956.76 | 1,654,049 | 3,750,908 | 368,614 | 10.2 | 6.82 |
| 394.2 | Tools and Work Equipment - Tools | 20-SQ | 293,480.20 | 75,696 | 217,785 | 21,426 | 10.2 | 7.30 |
| 394.4 | Tools and Work Equipment - Const. Dept. | 20-SQ | 2,091,372.17 | 892,100 | 1,199,272 | 175,028 | 6.9 | 8.37 |
| 394.6 | Tools and Work Equipment - Other | 20-SQ | 16,526,912.16 | 5,176,585 | 11,350,328 | 922,479 | 12.3 | 5.58 |
| 394.8 | Tools and Work Equipment - Garage Equipment | 20-SQ | 6,822,833.76 | 4,966,201 | 1,856,632 | 450,816 | 4.1 | 6.61 |
| 395 | Laboratory Equipment | 20-SQ | 4,359,316.54 | 1,366,068 | 2,993,248 | 219,652 | 13.6 | 5.04 |
| 396 | Power Operated Equipment | 15-SQ | 1,462,609.55 | 682,191 | 780,420 | 79,140 | 9.9 | 5.41 |
| 397 | Communication Equipment | 15-SQ | 12,014,703.33 | 9,372,038 | 2,642,668 | 201,331 | 13.1 | 1.68 |
| 398 | Miscellaneous Equipment | 20-SQ | 1,584,033.83 | 561,627 | 1,002,409 | 157,903 | 6.3 | 10.10 |
| | Total General Plant | | <u>521,230,822.78</u> | <u>186,667,231</u> | <u>334,563,606</u> | <u>25,589,637</u> | <u>13.1</u> | <u>4.91</u> |
| | Total Depreciable Plant | | <u>5,650,069,924.70</u> | <u>2,195,005,297</u> | <u>3,455,064,658</u> | <u>137,910,678</u> | | |
| | Nondepreciable Plant | | | | | | | |
| 301 | Organization | | 476,251.80 | | | | | |
| 302 | Franchises and Consents | | 147,083.87 | | | | | |
| 350.2 | Land | | 6,404,575.26 | | | | | |
| 360.2 | Land | | 13,177,773.65 | | | | | |
| 389.2 | Land | | 8,441,989.90 | (87,768) | | | | |
| | Total Nondepreciable Plant | | <u>28,647,674.48</u> | <u>(87,768)</u> | | | | |
| | Total Utility Plant | | <u>5,678,717,599.18</u> | <u>2,194,917,529</u> | | | | |

* Life Span procedure used. Curves shown as Interim Survivor Curves.

PPL ELECTRIC UTILITIES CORPORATION

TABLE 3. SUMMARY OF PLANT IN SERVICE ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2010

| | Depreciable Group (1) | Balance at Beginning of Year (2) | Additions (3) | Retirements (4) | Transfers And Adjustments (5) | Balance at End of Year (6) | Percent of Original Cost Retired (7) |
|-------|---|---|-----------------------|----------------------|--|-------------------------------------|---|
| | Intangible Plant | | | | | | |
| 303.2 | Miscellaneous Intangible Plant - Software | 37,009,287.59 | 16,445,523.43 | | 238,011.35 | 53,692,822.42 | 0.00 |
| 303.4 | Misc Intangible Plant - Fiber Optics | 1,035,137.10 | | | | 1,035,137.10 | 0.00 |
| | Total Intangible Plant | 38,044,424.69 | 16,445,523.48 | 0.00 | 238,011.35 | 54,727,959.52 | |
| | Transmission Plant | | | | | | |
| 350.4 | Land Rights | 75,345,821.68 | 1,326,606.74 | 584.64 | (2,133.42) | 76,671,710.36 | 0.00 |
| 352 | Structures and Improvements | 31,572,759.77 | 682,509.93 | 41,200.90 | 20,024.80 | 32,234,093.60 | 0.13 |
| 353 | Station Equipment | 424,269,653.53 | 43,291,533.49 | 4,554,638.76 | 79,226.43 | 463,105,774.69 | 1.07 |
| 354 | Towers and Fixtures | 303,171,235.23 | 20,067,698.33 | 875,337.14 | (5,455,685.11) | 316,907,911.31 | 0.29 |
| 354.2 | Towers and Fixtures - Clearing R/W | 11,739,901.63 | 18,769.15 | | 79,121.53 | 11,837,792.31 | 0.00 |
| 355 | Poles and Fixtures | 96,302,004.11 | 1,229,840.97 | 857,013.28 | 11,348.80 | 96,686,180.60 | 0.89 |
| 355.2 | Poles and Fixtures - Clearing R/W | 7,345,534.82 | 4,661.14 | | | 7,350,195.96 | 0.00 |
| 356 | Overhead Conductors and Devices | 197,633,671.17 | 11,730,578.09 | 525,695.76 | 5,416,285.21 | 214,254,838.71 | 0.27 |
| 357 | Underground Conduit | 6,161,363.83 | 1,756,914.84 | | | 7,920,278.67 | 0.00 |
| 358 | Underground Conductors and Devices | 16,499,820.66 | 2,552,694.39 | | | 19,052,515.05 | 0.00 |
| 359 | Roads and Trails | 6,578,494.35 | 521,990.86 | | | 7,100,485.21 | 0.00 |
| | Total Transmission Plant | 1,176,640,260.78 | 83,187,797.93 | 6,854,470.48 | 148,188.24 | 1,253,121,776.47 | |
| | Distribution Plant | | | | | | |
| 360.4 | Land Rights | 62,416,971.36 | 282,965.18 | 5,808.17 | 1,789,163.34 | 64,483,311.71 | 0.01 |
| 361 | Structures and Improvements | 27,178,012.98 | 508,591.43 | 6,976.50 | | 27,679,627.91 | 0.03 |
| 362 | Station Equipment | 284,735,518.29 | 25,067,203.92 | 944,274.26 | (161,910.82) | 308,696,537.13 | 0.33 |
| 364.2 | Towers and Fixtures | 18,998,317.66 | 7,178.14 | (4,658.84) | | 19,010,154.94 | (0.02) |
| 364.4 | Poles and Fixtures | 769,672,901.28 | 46,776,785.36 | 3,326,710.08 | (1,363,880.09) | 811,759,096.47 | 0.43 |
| 364.6 | Towers and Fixtures - Clearing R/W | 210,420.57 | | | | 210,420.57 | 0.00 |
| 364.8 | Poles and Fixtures - Clearing R/W | 35,808,379.47 | 100,637.55 | 2,313.27 | 261,408.48 | 37,168,112.23 | 0.01 |
| 365 | Overhead Conductors and Devices | 616,336,619.98 | 50,747,289.01 | 7,031,623.78 | (721,225.46) | 658,331,059.75 | 1.14 |
| 366 | Underground Conduit | 141,411,287.12 | 4,350,226.51 | 113,428.08 | (10,202.61) | 145,637,882.94 | 0.08 |
| 367 | Underground Conductors and Devices | 402,737,191.52 | 25,043,362.01 | 1,520,796.74 | (297,423.51) | 425,962,353.28 | 0.38 |
| 368.2 | Line Transformers - Overhead | 212,202,428.15 | 11,609,348.59 | 3,286,269.91 | 460,164.19 | 221,005,671.02 | 1.55 |
| 368.4 | Line Transformers - Submersible and Pad Mount | 166,410,906.95 | 3,100,070.56 | 244,861.26 | | 169,266,116.25 | 0.15 |
| 368.6 | Line Transformers - Non-Network Housing | 477,573.42 | | 94,479.13 | | 383,094.29 | 19.78 |
| 369 | Services | 563,880,989.57 | 18,672,506.98 | 1,376,870.13 | (146,276.67) | 571,030,349.75 | 0.25 |
| 370 | Meters | 260,822,600.95 | 4,310,468.69 | 3,644,910.58 | 43,997.22 | 261,532,156.28 | 1.40 |
| 371.2 | Installations on Customers' Premises | 319,228.36 | | | | 319,228.36 | 0.00 |
| 371.4 | Area Lighting Fixtures | 6,521,837.13 | 262,792.38 | 25,722.66 | (1,347.11) | 6,757,559.74 | 0.39 |
| 373.2 | Street Lighting and Signal Systems | 87,750,465.59 | 3,673,259.54 | 966,461.12 | (630.40) | 90,756,633.61 | 0.76 |
| | Total Distribution Plant | 3,648,891,650.35 | 194,512,725.85 | 22,286,846.83 | (128,163.44) | 3,820,985,365.93 | |

PPL ELECTRIC UTILITIES CORPORATION
TABLE 3. SUMMARY OF PLANT IN SERVICE ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2010

| | (1) Depreciable Group | (2) Balance at Beginning of Year | (3) Additions | (4) Retirements | (5) Transfers And Adjustments | (6) Balance at End of Year | (7) Percent of Original Cost Retired |
|--------|---|-------------------------------------|-----------------------|----------------------|----------------------------------|-------------------------------|---|
| | General Plant | | | | | | |
| 385 4 | Land Rights | 4,398.53 | | | | 4,398.53 | 0.00 |
| 390 2 | Structures and Improvements - Buildings | 266,011,880.14 | 22,961,927.82 | 2,821,017.40 | (215,867.92) | 285,937,122.64 | 1.06 |
| 390 21 | Structures and Improvements - Leaseholds | 741,657.92 | | | | 741,657.92 | - |
| 390 4 | Structures and Improvements - Air Cond. Equipment | 29,026,975.89 | 275,882.60 | 586,022.63 | | 27,716,835.86 | 2.09 |
| 391 2 | Office Furniture and Equipment - Furniture | 19,305,963.10 | 1,162,524.20 | 826,331.86 | | 19,642,155.44 | 4.28 |
| 391 4 | Office Furniture and Equipment - Equipment | 1,922,577.84 | 245,497.18 | 11,543.78 | | 2,156,531.24 | 0.60 |
| 391 6 | Office Furniture and Equipment - Computers | 568,012.04 | 1,281,305.70 | | | 1,829,317.74 | 0.00 |
| 391 8 | Office Furniture and Equipment - Power Mgmt. System | 38,155,384.44 | | | | 38,155,384.44 | 0.00 |
| 392 1 | Transportation Equipment - 5 Years | 2,615,383.40 | 1,077,466.22 | 62,375.91 | | 3,650,473.71 | 2.38 |
| 392 2 | Transportation Equipment - 8 Years | 14,635,813.52 | 3,293,288.04 | 1,069,861.36 | | 16,859,260.20 | 7.31 |
| 392 3 | Transportation Equipment - 10 Years | 80,053,650.74 | 4,517,259.27 | 2,511,560.31 | | 82,059,349.70 | 4.18 |
| 392 4 | Transportation Equipment - Trailers | 4,923,639.72 | 1,063,240.50 | 40,043.37 | | 5,946,836.85 | 0.81 |
| 392 5 | Transportation Equipment - 15 Years | 2,863,975.12 | 21,651.06 | 195,127.71 | | 2,890,498.47 | 6.81 |
| 392 6 | Transportation Equipment - 20 Years | 766,938.65 | | 113,140.07 | | 653,798.58 | 14.75 |
| 393 | Stores Equipment | 2,911,704.39 | | 244,721.43 | | 2,666,982.96 | 8.40 |
| 394 | Tools and Work Equipment - L&S Line Crews | 5,568,679.26 | | 163,722.50 | | 5,404,956.76 | 2.94 |
| 394 2 | Tools and Work Equipment - Tools | 293,480.20 | | | | 293,480.20 | 0.00 |
| 394 4 | Tools and Work Equipment - Const. Dept. | 2,379,750.94 | | 288,378.77 | | 2,091,372.17 | 12.12 |
| 394 6 | Tools and Work Equipment - Other | 13,707,920.31 | 2,902,879.50 | 83,887.65 | | 16,526,912.16 | 0.61 |
| 394 8 | Tools and Work Equipment - Garage Equipment | 6,658,049.17 | 436,684.94 | 271,900.35 | | 6,822,833.76 | 4.08 |
| 395 | Laboratory Equipment | 3,366,562.86 | 992,763.78 | | | 4,359,316.64 | 0.00 |
| 396 | Power Operated Equipment | 1,505,478.68 | | 42,869.03 | | 1,462,609.65 | 2.85 |
| 397 | Communication Equipment | 10,668,305.93 | 1,346,397.40 | | | 12,014,703.33 | 0.00 |
| 398 | Miscellaneous Equipment | 1,720,767.97 | 5,993.96 | 162,728.10 | | 1,564,033.83 | 9.46 |
| | Total General Plant | 489,376,960.76 | 41,564,762.17 | 9,495,232.23 | (215,867.92) | 521,230,822.78 | |
| | Total Depreciable Plant | 5,352,953,296.58 | 335,710,809.43 | 38,636,549.54 | 42,368.23 | 5,650,069,924.70 | |
| | Intangible and Nondepreciable Plant | | | | | | |
| 301 | Organization | 476,251.80 | | | | 476,251.80 | |
| 302 | Franchises and Consents | 147,083.87 | | | | 147,083.87 | |
| 350 2 | Land | 5,124,545.15 | 2,128,627.05 | 848,596.94 | | 6,404,575.26 | 16.56 |
| 360 2 | Land | 11,989,415.12 | 1,248,553.03 | 60,194.50 | | 13,177,773.65 | 0.50 |
| 368 2 | Land | 8,403,473.45 | 38,516.45 | | | 8,441,989.90 | 0.00 |
| | Total Intangible Plant | 26,140,769.39 | 3,415,896.53 | 908,791.44 | 0.00 | 28,647,674.48 | |
| | Total Plant in Service | 5,379,094,065.97 | 339,126,505.96 | 39,545,340.98 | 42,368.23 | 5,678,717,599.18 | |

PPL ELECTRIC UTILITIES CORPORATION

TABLE 4. SUMMARY OF BOOK RESERVE ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2010

| Depreciable Group (1) | Book Reserve at Beginning of Year (2) | Annual Accruals (3) | Retirements (4) | Amortization of Net Salvage (5) | Gross Salvage (6) | Cost of Removal (7) | Misc. Debits & Credits (8) | Book Reserve at End of Year (9) | Book Reserve as a Percent of Original Cost (10) |
|---|--|---------------------------|--------------------|---------------------------------------|-------------------------|---------------------------|-------------------------------------|--|---|
| Intangible Plant | | | | | | | | | |
| 303.2 Misc. Intangible Plant - Software | 15,368,056 | 8,409,653 | | | | | 14,599 | 23,792,308 | 44.31 |
| 303.4 Misc. Intangible Plant - Fiber Optics | 896,214 | 61,643 | | | | | | 957,857 | 92.53 |
| Total Intangible Plant | 16,264,270 | 8,471,296 | 0 | 0 | 0 | 0 | 14,599 | 24,750,165 | |
| Transmission Plant | | | | | | | | | |
| 350.4 Land Rights | 35,097,164 | 976,589 | 565 | (1,555) | 1,672 | | (9) | 36,075,276 | 47.05 |
| 352 Structures and Improvements | 14,898,077 | 536,727 | 41,201 | 12,714 | | 3,513 | 7,767 | 15,350,571 | 47.62 |
| 353 Station Equipment | 162,268,313 | 8,036,507 | 4,564,639 | 304,918 | | 7,114,999 | 64,779 | 165,408,378 | 35.72 |
| 354 Towers and Fixtures | 118,325,373 | 4,078,587 | 875,337 | 109,143 | | 148,118 | (134,600) | 121,355,057 | 38.29 |
| 354.2 Towers and Fixtures - Cleaning R/W | 6,256,368 | 133,335 | | | | | 2,167 | 6,401,870 | 54.08 |
| 355 Poles and Fixtures | 37,672,614 | 1,473,893 | 857,013 | 1,221,980 | | 799,344 | 4,891 | 38,717,019 | 40.04 |
| 355.2 Poles and Fixtures - Cleaning R/W | 3,638,875 | 81,866 | | | | | | 3,720,761 | 50.62 |
| 356 Overhead Conductors and Devices | 108,954,196 | 2,934,039 | 525,696 | 291,222 | | 271,330 | 134,752 | 111,517,184 | 52.05 |
| 357 Underground Conduit | 1,814,086 | 126,705 | | | | | | 1,940,791 | 24.50 |
| 358 Underground Conductors and Devices | 6,672,684 | 368,252 | | 14,004 | | | 55 | 7,054,996 | 37.03 |
| 359 Roads and Trails | 2,544,373 | 92,186 | | | | | | 2,636,559 | 37.13 |
| Total Transmission Plant | 498,092,123 | 18,840,716 | 6,854,470 | 1,952,426 | 1,672 | 1,933,804 | 79,800 | 510,178,462 | |
| Distribution Plant | | | | | | | | | |
| 360.4 Land Rights | 27,251,571 | 795,233 | 5,808 | (14,327) | | | 8,755 | 28,039,483 | 43.48 |
| 361 Structures and Improvements | 12,714,368 | 335,206 | 6,377 | 6,307 | | 2,166 | 1,297 | 13,048,026 | 47.14 |
| 362 Station Equipment | 101,246,138 | 5,360,602 | 944,274 | 504,850 | | 282,096 | 38,701 | 105,927,974 | 34.31 |
| 364.2 Towers and Fixtures | 5,396,028 | 332,768 | (4,659) | 4,762 | | 6 | 979 | 5,739,190 | 30.19 |
| 364.4 Poles and Fixtures | 247,789,637 | 14,744,367 | 3,326,710 | 7,956,581 | | 11,256,204 | 1,628,491 | 258,394,852 | 31.83 |
| 364.6 Towers and Fixtures - Cleaning R/W | 55,442 | 3,824 | | | | | | 59,266 | 28.17 |
| 364.8 Poles and Fixtures - Cleaning R/W | 17,705,522 | 446,007 | 2,313 | (100) | | | 1,796 | 18,150,912 | 48.83 |
| 365 Overhead Conductors and Devices | 238,879,333 | 11,794,312 | 7,031,624 | 178,207 | | 1,113,611 | 31,504 | 243,837,955 | 36.98 |
| 366 Underground Conduit | 38,793,944 | 2,623,746 | 113,428 | 66,439 | | 127,997 | 13,587 | 41,258,144 | 28.33 |
| 367 Underground Conductors and Devices | 134,451,283 | 8,629,763 | 1,520,797 | 165,493 | | 123,799 | 31,076 | 141,716,557 | 33.27 |
| 368.2 Line Transformers - Overhead | 99,423,556 | 6,524,655 | 3,286,270 | 811,209 | | 3,663,445 | 170,061 | 99,995,507 | 45.25 |
| 368.4 Line Transformers - Submersible and Pad Mount | 52,024,509 | 3,122,961 | 244,861 | (17,278) | | 139,831 | (3,552) | 64,933,174 | 38.36 |
| 369 Services | 404,657 | 15,019 | | | | | | 325,197 | 84.89 |
| 370.1 Meters | 266,444,123 | 9,856,976 | 1,376,870 | 325,184 | | 564,052 | 65,545 | 274,794,788 | 48.12 |
| 370.2 Meters - AMR | 43,538,668 | 3,118,110 | 3,644,911 | 65,979 | | 21,429 | 13,566 | 43,069,882 | 59.18 |
| 370.4 Meters - Smart Gnd | 67,626,215 | 12,408,529 | | 156,695 | | 250,510 | 33,312 | 79,974,240 | 42.43 |
| 371.2 Installations on Customers Premises | (75,100) | 23,042 | | | | | 249 | 3,739 | 1.42 |
| 371.4 Area Lighting Fixtures | 4,028,190 | 208,150 | 25,723 | 1,213 | | | (238,660) | (51,809) | (16.23) |
| 373.2 Street Lighting and Signal Systems | 49,942,304 | 2,160,595 | 666,461 | (1,160,602) | | 104,644 | (5) | 3,973,170 | 58.80 |
| Total Distribution Plant | 1,417,640,278 | 82,511,643 | 22,286,647 | 9,050,613 | 2,368,844 | 17,669,791 | 1,796,701 | 1,473,409,439 | |

PPL ELECTRIC UTILITIES CORPORATION

TABLE 4. SUMMARY OF BOOK RESERVE ACTIVITY FOR THE YEAR ENDED DECEMBER 31, 2010

| Depreciable Group (1) | Book Reserve at Beginning of Year (2) | Annual Accruals (3) | Retirements (4) | Amortization of Net Salvage (5) | Gross Salvage (6) | Cost of Removal (7) | Misc. Debits & Credits (8) | Book Reserve at End of Year (9) | Book Reserve as a Percent of Original Cost (10) |
|---|--|---------------------------|--------------------|---------------------------------------|-------------------------|---------------------------|-------------------------------------|--|---|
| General Plant | | | | | | | | | |
| 389 2 Land | (87,766) | | | | | | | (87,766) | (1.04) |
| 389 4 Land Rights | 1,190 | 103 | | | | | | 1,293 | 29.40 |
| 390 2 Structures and Improvements - Buildings | 61,404,358 | 4,783,384 | 2,821,017 | 672,953 | | 428,682 | (34,117) | 63,576,878 | 22.23 |
| 390 21 Structures and Improvements - Leaseholds | 70,534 | 75,976 | | | | | | 146,510 | 19.75 |
| 390 4 Structures and Improvements - Air Cond. Equipment | 11,345,525 | 829,321 | 586,023 | 55,147 | | | (1,314) | 11,642,856 | 42.01 |
| 391 2 Office Furniture and Equipment - Furniture | 7,581,008 | 987,877 | 826,332 | (529) | 787 | | 13 | 7,752,824 | 39.47 |
| 391 4 Office Furniture and Equipment - Equipment | 324,960 | 137,642 | 11,544 | 3,021 | | | (72) | 454,007 | 21.05 |
| 391 6 Office Furniture and Equipment - Computers | 84,335 | 292,675 | | | | | | 377,010 | 20.61 |
| 391 8 Office Furniture and Equipment - Power Mgmt. Sys. | 38,155,394 | | | | | | | 38,155,394 | 100.00 |
| 392 1 Transportation Equipment - 5 Years | 1,198,081 | 611,771 | 62,376 | (51,652) | 32,056 | | 1,231 | 1,728,111 | 47.63 |
| 392 2 Transportation Equipment - 8 Years | 6,670,223 | 2,273,415 | 1,069,861 | (330,855) | 563,509 | | 7,885 | 8,114,316 | 48.13 |
| 392 3 Transportation Equipment - 10 Years | 21,892,724 | 7,105,409 | 2,511,560 | (556,253) | 966,507 | | 13,257 | 26,910,083 | 43.36 |
| 392 4 Transportation Equipment - Trailers | 1,009,815 | 355,130 | 40,843 | (12,153) | 29,550 | | 290 | 1,342,588 | 22.58 |
| 392 5 Transportation Equipment - 15 Years | 618,211 | 248,250 | 195,128 | | | | | 671,333 | 24.95 |
| 392 6 Transportation Equipment - 20 Years | 99,783 | 56,998 | 113,140 | (10,425) | | | (4,874) | 28,342 | 4.33 |
| 393 Stores Equipment | 1,135,979 | 127,084 | 244,721 | (8,682) | 3,434 | | 5,237 | 1,018,331 | 38.18 |
| 394 Tools and Work Equipment - L&S Line Crews | 1,507,410 | 310,362 | 163,723 | | | | | 1,654,049 | 30.60 |
| 394 2 Tools and Work Equipment - Tools | 55,030 | 20,666 | | | | | | 75,696 | 25.79 |
| 394 4 Tools and Work Equipment - Const. Dept | 1,053,615 | 118,588 | 288,379 | (12,687) | 28,638 | | 8,276 | 892,100 | 42.66 |
| 394 6 Tools and Work Equipment - Other | 4,490,918 | 753,301 | 83,888 | | | | 302 | 5,176,585 | 31.32 |
| 394 8 Tools and Work Equipment - Garage Equip. | 4,874,049 | 364,052 | 271,900 | | | | | 4,966,201 | 72.79 |
| 395 Laboratory Equipment | 1,204,196 | 161,872 | 42,869 | | | | | 1,366,068 | 31.34 |
| 396 Power Operated Equipment | 572,150 | 152,910 | | 283 | | | (7) | 682,191 | 46.64 |
| 397 Communication Equipment | 8,618,048 | 753,714 | | | | | | 9,372,038 | 78.00 |
| 398 Miscellaneous Equipment | 619,804 | 102,884 | 162,728 | (8,567) | 10,020 | | 204 | 561,627 | 35.91 |
| Total General Plant | 174,499,572 | 20,633,393 | 9,495,232 | (260,398) | 1,634,500 | 428,682 | (3,688) | 186,579,463 | |
| Total Depreciable Plant | 2,106,496,243 | 130,457,049 | 38,636,550 | 10,742,641 | 4,003,016 | 20,032,278 | 1,887,411 | 2,194,917,529 | |

* Beginning Balance adjusted to correct 2005 Error in Company Statement.
** Includes General Ledger Reconciling Items.

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TABLE 5. SUMMARY OF NET SALVAGE BY FUNCTION AND AMORTIZATION FOR THE PERIOD, 2006-2010

| Function (1) | 2006 (2) | 2007 (3) | 2008 (4) | 2009 (5) | 2010 (6) | Total Salvage (7) | 5-Year Amortization (8)=(7)/5 |
|---------------------|-------------|-------------|-------------|--------------|-------------|-------------------------|-------------------------------------|
| Transmission | | | | | | | |
| Cost of Removal | 2,190,555 | 2,099,945 | 1,458,117 | 2,719,939 | 1,933,804 | 10,402,361 | |
| Gross Salvage | 70,688 | 7,580 | (25,107) | (377,510) | (1,672) | (326,021) | |
| Net Salvage | 2,261,243 | 2,107,525 | 1,433,010 | 2,342,429 | 1,932,133 | 10,076,340 | 2,015,268 |
| Distribution | | | | | | | |
| Cost of Removal | 15,016,565 | 13,149,077 | 11,697,631 | 13,011,834 | 17,669,792 | 70,544,899 | |
| Gross Salvage | (1,448,884) | (2,897,298) | (3,946,863) | (11,554,263) | (4,739,012) | (24,586,320) | |
| Net Salvage | 13,567,681 | 10,251,779 | 7,750,768 | 1,457,572 | 12,930,779 | 45,958,578 | 9,191,716 |
| General | | | | | | | |
| Cost of Removal | 2,870,859 | 756,360 | 649,660 | 330,100 | 428,682 | 5,035,661 | |
| Gross Salvage | 12,547 | (1,822,786) | (1,587,374) | (2,566,907) | (1,634,500) | (7,599,019) | |
| Net Salvage | 2,883,406 | (1,066,426) | (937,714) | (2,236,807) | (1,205,818) | (2,563,359) | (512,672) |
| Total | | | | | | | |
| Cost of Removal | 20,077,979 | 16,005,382 | 13,805,408 | 16,061,874 | 20,032,278 | 85,982,921 | |
| Gross Salvage | (1,365,649) | (4,712,504) | (5,559,344) | (14,498,680) | (6,375,184) | (32,511,361) | |
| Net Salvage | 18,712,330 | 11,292,878 | 8,246,064 | 1,563,194 | 13,657,094 | 53,471,560 | 10,694,312 |