

**PPL Electric Utilities Corporation  
Estimated Price-to-Compare (“PTC”) Sample Calculation  
For Illustrative Purposes Only**

**Disclaimer:**

The purpose of this document is to provide suppliers with an understanding of how the PTC is calculated for all customer classes, as directed by the Pennsylvania Public Utility Commission (“PA PUC”) on October 12, 2010. This data is an estimate of the PTC and is only a snap-shot in time.

Please note that any and all data within this document are estimates and actual charges will vary depending on customer demand, seasonal variations, or other factors. Forecast data is subject to change due to migration, customers leaving PPL Electric Utilities’ territory, or other events. In addition, all possible combinations of rates and surcharges have not been included in this document. Prices used in the PTC calculation are best-known values and will be updated per tariffs on file with the PA PUC. PPL Electric Utilities is not liable for any losses which may result from using the information contained in this document.

**PPL Electric Utilities Corporation  
Estimated PTC Calculation  
For Illustrative Purposes Only  
Residential Class  
January 1, 2011 - May 31, 2011**

	<b>Full Requirements (\$/MWh)</b>	<b>Block (\$/MWh)</b>
	Number of Tranches	Average Bid Price
1 Solicitation #1 - Aug 2009	12	\$ 78.89
2 Solicitation #2 - Oct 2009	12	85.43
3 Solicitation #3 - Jan 2010	12	78.93
4 Solicitation #4 - Apr 2010	12	66.62
5 Solicitation #5 - July 2010	8	68.79
6 Solicitation #6 - Oct 2010	8	64.77
7 Weighted Average Price		\$ 74.80
8 Average Block Price		\$ 62.34 <sup>(1)</sup>
9 Times portion of Residential Load		23%
10 Total Weighted Block Price		\$ 14.34
11 Average Full Requirements Price		\$ 74.80
12 Times portion of Residential Load		69% <sup>(2)</sup>
13 Total Weighted Full Requirements Price		\$ 51.61
14 Estimated Spot Price		\$ 55.78 <sup>(3)</sup>
15 Times Spot Price portion of Residential Load		8% <sup>(2)</sup>
16 Total Weighted Spot Price		\$ 4.46
17 Block, Full Requirements & Spot Weighted Price (line 10 + line 13 + line 16)		\$ 70.41
18 Block, Full Requirements & Spot Weighted Price in \$/kWh (line 17/1000)		\$ 0.07041
19 Loss Factor		1.05541 <sup>(4)</sup>
20 Subtotal - Block, Full Requirements & Spot Weighted Price including Losses (line 18 x line 19)		\$ 0.07431
21 Multiplied by (1/(1-GRT)) GRT = 5.9%		1.06270
22 Block, Full Requirements & Spot Weighted Price including Losses and GRT (line 20 x line 21)		\$ 0.07897
23 E Factor Rate		\$ 0.01059 <sup>(5)</sup>
24 Administrative Charges		0.00006
25 Merchant Function Charge (MFC) @ 1.085%		0.00165
26 Subtotal (line 23 + line 24 + line 25)		\$ 0.01231
27 Multiplied by (1/(1-GRT))		1.06270
28 (E Factor + Admin Charges + MFC) x GRT		\$ 0.01308
29 Generation Supply Charge (line 22 + line 28)		\$ 0.09205
30 Transmission Service Charge (TSC)		\$ 0.00092 <sup>(6)</sup>
31 State Tax Adjustment Surcharge -0.286% [(line 29 + line 30) x -0.00286]		\$ (0.00027) <sup>(7)</sup>
32 PTC Estimate - Residential Class (line 29 + line 30 + line 31)		\$ 0.09270

<sup>(1)</sup> The average Block price includes the weighted average price plus estimated Capacity, Ancillaries, and AEPS compliance costs.  
<sup>(2)</sup> After the Block Procurements have been subtracted from total load, Full Requirements represent 90% of the load and Spot represents 10% of the load.  
<sup>(3)</sup> The estimated Spot Price includes Energy, Capacity and a \$2.21/MWh adder for ancillaries and AEPS compliance costs.  
<sup>(4)</sup> The Loss Factor includes a deduction of the PJM deration factor.  
<sup>(5)</sup> The estimated over/under collection from 2010 that will be recovered from January 1 to May 31, 2011.  
<sup>(6)</sup> The TSC is the rate as set forth in PPL Electric's tariff for 2011 and reflects the statutory PA Gross Receipts Tax (GRT) of 5.9%.  
<sup>(7)</sup> The State Tax Adjustment Surcharge reflects the incremental GRT pursuant to 72 P.S. § 8111-A(d) less any applicable refunds.

**PPL Electric Utilities Corporation**  
**Estimated Price-to-Compare (“PTC”) Sample Calculation**  
**For Illustrative Purposes Only**  
**Residential Class**

**Line Item Explanations for the Residential Class:**

**Line 1 through line 6** – Lists the average bid price for the Full Requirements and Block contracts per the solicitation noted. Prices are in \$/MWh.

**Line 7** – Weighted average price of all solicitations conducted as of the date of the estimate. Prices are in \$/MWh.

**Line 8** – An estimate of the average Block price for the applicable PTC period based on the solicitations completed, plus the capacity cost based on PJM Reliability Pricing Model (“RPM”) delivery year clearing prices and estimated ancillary and AEPS compliance costs.

**Line 9** – Percentage represents the portion of total forecasted Residential load that is estimated to be supplied by the Block product for the applicable PTC period.

**Line 10** – The weighted price of the Block product.

**Line 11** – An estimate of the average Full Requirements price for the applicable PTC period based on the solicitations completed. Price includes all necessary energy, capacity, transmission other than Network Integration Transmission Service Charge (“NITS”), ancillary services, Pennsylvania Alternative Energy Portfolio Standard (“AEPS”) requirement, transmission and distribution losses and congestion management costs, and such other services or products that are required to supply the specified percentage of a supplier’s default load for a customer group set forth in a transaction confirmation pursuant to the Default Service Supply Master Agreement.

**Line 12** - Percentage represents the portion of total forecasted Residential load that is estimated to be supplied by the Full Requirements product after deducting the Block product load, or 90% of the remaining Residential load.

**Line 13** – The weighted price of the Full Requirements product.

**Line 14** – An estimate of the average Spot Price for the applicable PTC period. The Spot Price includes energy, capacity and a \$2.21/MWh adder for ancillaries and AEPS compliance costs.

**Line 15** - Percentage represents the portion of total forecasted Residential load that is estimated to be supplied by the Spot product after deducting the Block product load, or 10% of the remaining Residential load.

**Line 16** – The weighted price of the Spot product.

**Line 17** – The sum of the weighted prices for the Block, Full Requirements and Spot products.

**Line 18** – The weighted price for all products divided by 1,000 to convert from \$/MWh to \$/kWh.

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**Residential Class**

**Line 19** – Loss Factor for the Residential customer class as found on the PPL Electric Utilities POLR website <http://www.pplelectric.com/NR/rdonlyres/D3CA7C99-58C1-4E4C-B75A-A91994CCDFD3/0/LossFactorsByRateClass.pdf>. The Loss Factor includes the deduction of the PJM deration factor.

**Line 20** – Represents the subtotal of the Block, Full Requirements and Spot weighted price adjusted for the Loss Factor.

**Line 21** – Represents the gross-up effect of the statutory PA Gross Receipts Tax (“GRT”) of 5.9%:  
 $(1/1-5.9\%) = 1.06270$

**Line 22** – An estimate of the Block, Full Requirements and Spot weighted price adjusted for the Loss Factor and the GRT.

**Line 23** – The E factor represents the estimated over/under collection from 2010 that will be recovered from January 1 – May 31, 2011.

**Line 24** – An estimation of the administrative charges for the Residential class, as noted in the Generation Supply Charge (“GSC”) filing with the PA PUC on December 14, 2010.

**Line 25** – Represents the Merchant Function Charge (“MFC”) which is the provision for potential non-collectible accounts.

**Line 26** – Represents the subtotal of the estimated E factor, administrative charges and MFC.

**Line 27** – Represents the gross-up effect of the statutory PA GRT of 5.9%:  
 $(1/1-5.9\%) = 1.06270$

**Line 28** – An estimate of the E factor, administrative charges and MFC adjusted for the GRT.

**Line 29** – Represents the GSC by adding the Block, Full Requirements and Spot weighted price including losses, the E factor rate, administrative charges and the MFC. All components reflect the statutory PA GRT of 5.9%.

**Line 30** – The Transmission Service Charge (“TSC”) as filed with the PA PUC on December 15, 2010. This is the rate set forth in PPL Electric’s tariff for 2011 and reflects the statutory PA GRT of 5.9%.

**Line 31** – The State Tax Adjustment Surcharge (“STAS”) at -0.286% multiplied by the subtotal of the GSC and TSC. All components reflect the statutory PA GRT of 5.9%.

**Line 32** – The total PTC estimate for the Residential Class in \$/kWh.

**PPL Electric Utilities Corporation  
Estimated PTC Calculation  
For Illustrative Purposes Only  
Small Commercial & Industrial ("SC&I")  
January 1, 2011 - May 31, 2011**

	<b>Full Requirements (\$/MWh)</b>	
	Number of Tranches	Average Price
1 Solicitation #1 - Aug 2009	9	\$ 80.41
2 Solicitation #2 - Oct 2009	9	87.36
3 Solicitation #3 - Jan 2010	9	77.29
4 Solicitation #4 - Apr 2010	9	68.55
5 Solicitation #5 - July 2010	6	68.02
6 Solicitation #6 - Oct 2010	6	64.19
7 Weighted Average Price		\$ 75.33
8 Average Full Requirements Price		\$ 75.33
9 Times portion of Fixed Load		90.00%
10 Total Weighted Full Requirements Price		\$ 67.80
11 Estimated Spot Price		\$ 54.98 <sup>(1)</sup>
12 Times Spot Price portion of Total Load		10.00%
13 Total Weighted Spot Price		\$ 5.50
14 Full Requirements & Spot Weighted Price (line 10 + line 13)		\$ 73.29
15 Full Requirements & Spot Weighted Price in \$/kWh (divide by 1000)		\$ 0.07329
16 Loss Factor		1.05541 <sup>(2)</sup>
17 Subtotal - Full Requirements & Spot Weighted Price including Losses (line 15 x line 16)		\$ 0.07735
18 Multiplied by (1/(1-GRT)) <i>GRT = 5.9%</i>		1.06270
19 Full Requirements & Spot Weighted Price including Losses and GRT (line 17 x line 18)		\$ 0.08220
20 E Factor Rate		\$ 0.00981 <sup>(3)</sup>
21 Administrative Charges		0.00003
22 Merchant Function Charge (MFC) @ 0.1%		0.00009
23 Subtotal (line 20 + line 21 + line 22)		\$ 0.00993
24 Multiplied by (1/(1-GRT))		1.06270
25 (E Factor + Admin Charges + MFC) x GRT		\$ 0.01056
26 Generation Supply Charge (line 19 + line 25)		\$ 0.09276
27 Transmission Service Charge (TSC)		\$ 0.00518 <sup>(4);(5)</sup>
28 State Tax Adjustment Surcharge -0.286% [(line 26 + line 27) x -0.00286]		\$ (0.00028) <sup>(6)</sup>
29 PTC Estimate - SC&I Class (line 26 + line 27 + line 28)		\$ 0.09766

<sup>(1)</sup> The estimated Spot Price includes Energy, Capacity and \$2.70/MWh adder for ancillaries and AEPS compliance costs.

<sup>(2)</sup> The Loss Factor includes a deduction of the PJM deration factor.

<sup>(3)</sup> The estimated over/under collection from 2010 that will be recovered from January 1 to May 31, 2011.

<sup>(4)</sup> The TSC is the rate as set forth in PPL Electric's tariff for 2011 and reflects the statutory PA Gross Receipts Tax of 5.9%.

<sup>(5)</sup> The TSC is related to the following rate classes: BL, GS1 G1D, G1C, GH1, H1P, H1Q, GH2 H2R, SA, SE, SHS, SM, TS, SI GS3 Small, G3C, IS1. The TSC for the LP4 Small rate class is \$0.0321/kWh for energy and \$1.819/kW for demand.

<sup>(6)</sup> The State Tax Adjustment Surcharge reflects the incremental GRT pursuant to 72 P.S. § 8111-A(d) less any applicable refunds.

PPL Electric Utilities Corporation  
 Estimated Hourly Pricing Service Charge Calculation  
 For Illustrative Purposes Only  
 Large Commercial & Industrial ("LC&I") - Primary  
 January 1, 2011 - May 31, 2011

**Industrial Class Hourly Price (HP) Energy Charge**

1 kWh <sub>t</sub>	kWh for each hour in the billing period		
2 LMP <sub>t</sub>	LMP = Real-time PJM Load Weighted average LMP for the PPL Zone for each hour		
3 HP adder	HP adder = \$0.00416/kWh		
4 $\sum$ HP Energy Charge [Line 1 x ( Line 2 + Line 3)]		xx.xxx	
5 Loss Factor <sup>(1)</sup>		1.02920	
6 HP Energy Charge (line 3 x line 4)		xx.xxxx	(\$/kWh)
<b>Plus</b>			
7 Capacity <sup>(2)</sup>	\$182.85/MW day * PLC * # of days in Month		
		$\sum$ (kWh <sub>t</sub> )	
<b>Plus</b>			
8 Transmission Service Charge (TSC) - Energy <sup>(3)</sup> <sup>(4)</sup>		0.03121	(\$/kWh)
<b>Plus</b>			
9 Transmission Service Charge (TSC) - Demand <sup>(5)</sup>		1.81888	(\$/kW)
<b>Plus</b>			
10 E Factor		0.03435	(\$/kWh)
11 Hourly Pricing Service Charge (Line 6 + Line 7 + Line 8 + Line 9 + Line 10)		x.xxxx	(\$/kWh)
12 Multiplied by (1/(1-GRT)) <sup>GRT = 5.9%</sup>		1.0627	
13 Hourly Pricing Service Charge (Line 11 x Line 12)		x.xxxx	(\$/kWh)
14 State Tax Adjustment Surcharge -0.286% (line 13 x -0.00286) <sup>(6)</sup>		x.xxxx	(\$/kWh)
15 Hourly Pricing Service Charge (Line 13 + Line 14)		x.xxxx	(\$/kWh)

t An hour in the Billing Period.

<sup>(1)</sup> The Loss Factor is adjusted for the PJM transmission deration factor.

<sup>(2)</sup> The Capacity Charge is calculated by using PJM Capacity Clearing Price for the PL Zone x the Customer's Peak Load Contribution (PLC) x the # of days in the billing period divided by the sum of the kWh usage for the billing period.

<sup>(3)</sup> The TSC energy charge is calculated by multiplying the customers kWh usage times the stated rate. The TSC energy charge is the current rate as set forth in PPL Electric's tariff for 2011 and reflects the statutory PA Gross Receipts Tax (GRT) of 5.9%. This rate is for LP4 Large and ISP customers.

<sup>(4)</sup> The TSC energy charge for the GS3 Large rate class is \$0.00518/kWh.

<sup>(5)</sup> The TSC demand charge is calculated by multiplying the customers PLC times the stated rate. The TSC demand charge is the rate as set forth in PPL Electric's tariff for 2011 and reflects the statutory PA Gross Receipts Tax (GRT) of 5.9%. This rate is for LP4 Large and ISP customers.

<sup>(6)</sup> The State Tax Adjustment Surcharge reflects the incremental GRT pursuant to 72 P.S. § 8111-A(d) less any applicable refunds.

PPL Electric Utilities Corporation  
 Estimated Hourly Pricing Service Charge Calculation  
 For Illustrative Purposes Only  
 Large Commercial & Industrial ("LC&I") - Transmission  
 January 1, 2011 - May 31, 2011

**Industrial Class Hourly Price (HP) Energy Charge**

1 kWh <sub>t</sub>	kWh for each hour in the billing period		
2 LMP <sub>t</sub>	LMP=Real Time PJM Load Weighted average LMP for the PPL Zone for each hour		
3 HP adder	HP adder = .00416 \$/kWh		
4 $\sum$ HP Energy Charge [Line 1 x ( Line 2 + Line 3)]		xx.xxx	
5 Loss Factor <sup>(1)</sup>		1.00300	
6 HP Energy Charge (line 3 x line 4)		x.xxxx	(\$/kWh)
<hr/>			
<b>Plus</b>			
7 Capacity <sup>(2)</sup>	\$182.85/MW day * PLC * # of days in Month		
		$\sum$ (kWh <sub>t</sub> )	
<b>Plus</b>			
8 Transmission Service Charge (TSC) - Energy <sup>(3)</sup>	-0.01761		(\$/kWh)
<b>Plus</b>			
9 Transmission Service Charge (TSC) - Demand <sup>(4)</sup>	2.35563		(\$/kW)
<b>Plus</b>			
10 E Factor	0.03435		(\$/kWh)
<hr/>			
Hourly Pricing Service Charge			
11 (Line 6 + Line 7 + Line 8 + Line 9 + Line 10)	x.xxxx		(\$/kWh)
12 Multiplied by (1/(1-GRT)) <sup>GRT = 5.9%</sup>	1.0627		
<hr/>			
13 Hourly Pricing Service Charge (Line 11 x Line 12)	x.xxxx		(\$/kWh)
<hr/>			
14 State Tax Adjustment Surcharge -0.286% (line 13 x -0.00286) <sup>(5)</sup>	x.xxxx		(\$/kWh)
<hr/>			
16 Hourly Pricing Service Charge (Line 13 + Line 14)	x.xxxx		(\$/kWh)
<hr/>			

t An hour in the Billing Period.

<sup>(1)</sup> The Loss Factor is adjusted for the PJM transmission deration factor.

<sup>(2)</sup> The Capacity Charge is calculated by using PJM Capacity Clearing Price for the PL Zone x the Customer's Peak Load Contribution (PLC) x the # of days in the billing period divided by the sum of the kWh usage for the billing period.

<sup>(3)</sup> The TSC energy charge is calculated by multiplying the customers kWh usage times the stated rate. The TSC energy charge is the current rate as set forth in PPL Electric's tariff for 2011 and reflects the statutory PA Gross Receipts Tax (GRT) of 5.9%. This rate is for LP4 and LP5 customers.

<sup>(4)</sup> The TSC demand charge is calculated by multiplying the customers PLC times the stated rate. The TSC demand charge is the rate as set forth in PPL Electric's tariff for 2011 and reflects the statutory PA Gross Receipts Tax (GRT) of 5.9%. This rate is for LP4 and LP5 customers.

<sup>(5)</sup> The State Tax Adjustment Surcharge reflects the incremental GRT pursuant to 72 P.S. § 8111-A(d) less any applicable refunds.