

**Written Procedures of PPL Electric Utilities Corporation
Implementing the Federal Energy Regulatory Commission's
Standards of Conduct for Transmission Providers**

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I. INTRODUCTION

PPL Electric Utilities Corporation ("PPL Electric") is a public utility that owns facilities used for the transmission of electric energy in interstate commerce. PPL Electric is subject to the jurisdiction of the Federal Energy Regulatory Commission, a governmental agency that regulates the interstate transmission of natural gas, oil, and electricity.

PPL Electric is a transmission provider that engages in certain transmission transactions with several of its affiliates that are engaged in marketing functions. As a result, the Federal Energy Regulatory Commission's Standards of Conduct regulations, published in 18 C.F.R. Part 358, and attached hereto, impose obligations on PPL Electric, its affiliates engaged in marketing functions, and its and its affiliates' employees, contractors and consultants. These written procedures explain the obligations as they apply to these covered entities and persons.

These procedures are posted on PPL Electric's internet website and have been disseminated to all its transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information.

II. COMPLIANCE OBLIGATIONS AND COMPLIANCE CONTACT

Compliance with these written procedures consistent with the applicable regulations is mandatory. Should you have any questions about how to comply with these written procedures or suspect that they have not been followed, please contact PPL Electric's Chief Compliance Officer for the Standards of Conduct, Mr. Gregory Dudkin, via email at GNDudkin@pplweb.com, or telephone at 610-774-6077, your supervisor, or any attorney in the Office of General Counsel.

III. GENERAL STANDARD OF CONDUCT PURPOSE

In general, the Standards of Conduct have been imposed in order to ensure a level playing field between affiliates and non-affiliates of transmission providers such as PPL Electric. Affiliates of transmission providers engaged in marketing functions should not have access to preferential treatment or information. Transmission providers that conduct both transmission functions and marketing functions may not provide preferential treatment or information to their marketing function employees. In order to

avoid situations that may involve preferential treatment, PPL Electric's employees that are engaged in transmission functions must operate independently from its employees and its affiliates' employees that engage in marketing functions. Personnel employed by PPL Electric may not directly disclose, or act as a conduit facilitating the disclosure of, non-public transmission function information to PPL Electric's marketing function employees or those of its affiliates.

IV. DEFINITIONS

In order to understand the obligations imposed by the Standards of Conduct, you must be familiar with the following definitions, as applicable to your job responsibilities and to PPL Electric's business:

Marketing functions are the sale for resale in interstate commerce, or the submission of offers to sell in interstate commerce, of electric energy or capacity, demand response, virtual transactions, or financial or physical transmission rights, except that bundled retail sales, including sales of electric energy made by providers of last resort (POLRs) acting in their POLR capacity are not included.

Marketing function employees are employees, contractors, consultants or agents of a transmission provider or of an affiliate of a transmission provider who actively and personally engage on a day-to-day basis in marketing functions.

Transmission functions means the planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.

Transmission function employees are employees, contractors, consultants or agents of a transmission provider who actively and personally engage on a day-to-day basis in transmission functions.

PPL Electric's **affiliates** include all of the subsidiaries of PPL Corporation, such as PPL Services Corporation, PPL EnergyPlus, LLC and the PPL Generation, LLC entities.

PPL Electric's **marketing function affiliates** are PPL EnergyPlus, LLC and PPL Martins Creek, LLC.

Non-public transmission function information is information not available publicly that relates to planning, directing, organizing or carrying out of day-to-day transmission operations, including the granting and denying of transmission service requests.

V. STANDARD OF CONDUCT REQUIREMENTS

The Standards of Conduct broadly require that (A) a transmission provider not unduly discriminate between affiliates and non-affiliates in the provision of transmission

service, (B) the transmission provider ensure that its transmission function employees function separately and independently from its and its affiliates' marketing function employees, (C) no one in the employ of the transmission provider or an affiliate of the transmission provider that is engaged in marketing functions may disclose non-public transmission function information to the transmission provider's marketing function employees; and (D) the transmission provider publicly must disclose or provide notice of any inappropriate disclosure.

The obligations associated with each of these overarching requirements are discussed below.

A. Non-Discrimination

The PJM Interconnection, L.L.C. administers an Open Access Transmission Tariff for transmission service provided in the region, including service over the PPL Electric transmission system. Unless any discretion in tariff provisions is permitted, PPL Electric must treat transmission customers in a not unduly discriminatory manner, whether they are affiliates or non-affiliates. The terms of offered service such as price, curtailments, scheduling, priority, ancillary service provision and balancing may not provide an undue preference to any person. The timing and manner of processing transmission service requests must be equivalent for all similar requests.

B. Independent Functioning

Marketing function employees of PPL Electric or its affiliates may not engage in transmission functions and may not have access to the transmission system control center or facilities used for transmission operations that is different from the access available to other transmission customers. PPL Electric's transmission function employees may not engage in marketing functions.

C. No Conduit

PPL Electric may not use any person as a conduit to disclose non-public transmission function information to marketing function employees of PPL Electric or any of its affiliates.

Employees, contractors, consultants and agents of PPL Electric as well as employees, contractors, consultants and agents of PPL Electric's affiliates engaged in marketing functions may not disclose non-public transmission function information to PPL Electric's marketing function employees.

D. Transparency

To the extent non-public transmission function information is disclosed improperly, PPL Electric will post the information that was disclosed on its internet website unless the information is required to be kept confidential, in which case notice of its dissemination will be posted on the website. If a transmission customer consents to PPL Electric sharing the information in question with PPL Electric's or its affiliates' marketing function employees, the disclosure is permissible.

PPL Electric's transmission function employees may obtain information about requests for transmission service obtained from marketing function employees. No disclosure is required in the case of such communications.

E. Exception to Independent Functioning and No Conduit Rules

PPL Electric's transmission function employees and its marketing function employees are permitted to exchange non-public transmission function information in limited circumstances. Information relating to compliance with FERC-approved Reliability Standards may be exchanged as may information needed to maintain or restore operation of the transmission system or generating units or that affects the dispatch of generating units. To the extent information is exchanged pursuant to this exception, PPL Electric must make and retain a contemporaneous record of the exchange, except during emergencies when the record may be compiled after-the-fact. The record must be maintained for 5 years and made available upon FERC request.

VI. POSTING REQUIREMENTS

PPL Electric must keep prominently posted on its internet website the following information, which it must update within 7 days of any change unless otherwise noted and except in the case of an emergency:

- These written procedures;
- A list of all PPL Electric affiliates that employ or retain marketing function employees;
- A list of all employee staffed facilities shared by any PPL Electric transmission function employees and marketing function employees;
- Information concerning potential merger partners within seven days after announcement of a potential merger;
- Job titles and job descriptions of transmission function employees;
- Notification of transfer of a transmission function employee to a marketing function employee position, or vice-versa, which must remain posted for a period of 90 days and include the employee's name, titles held in old position and to be held in new position, and date of transfer.
- Waivers of a tariff provision granted in favor of an affiliate to the extent the Commission has not approved the waiver. This posting must be made within 1 day of the date the waiver was effectuated. A log of waivers must be kept for 5 years and made available to the Commission upon request.
- Contemporaneous disclosures of improperly shared information or notification of same.

VII. PROCEDURES TO FULFILL INTERNET POSTING REQUIREMENTS

A. Names/Addresses of PPL Electric's Affiliates that Employ Marketing Function Employees

A list of the names and addresses of PPL Electric affiliates that employ marketing function employees will be maintained by PPL Corporation's Office of General Counsel. The Office of General Counsel will provide this list to PPL Corporation's Chief Compliance Officer and to ISD, Web Support, who will update the list posted on PPL Electric's internet website upon any change. The Office of General Counsel will provide updated lists in sufficient time for ISD, Web Support to post the updated lists within seven business days of the occurrence of each change to the list. Each updated list shall include the date on which the list was updated and be prominently displayed on the PPL Electric internet website.

B. Shared Employee Staffed Facilities

A list of Shared Employee Staffed Facilities shared by PPL Electric's, transmission function employees and marketing function employees will be maintained by the PPL Services – Facilities Management Department. The PPL Services – Facilities Management Department will forward any changes to this list to the Office of General Counsel who will provide this list to the Chief Compliance Officer for the Standards of Conduct and to ISD, Web Support, who will update the list posted on PPL Electric's internet website upon any change. The PPL Services – Facilities Management Department will provide updated lists in sufficient time for ISD, Web Support to post the updated lists within seven business days of the occurrence of each change. Each updated list shall include the date on which the list was updated and be prominently displayed on the PPL Electric internet website.

C. Merger Partners

The Office of General Counsel will advise the Chief Compliance Officer and ISD, Web Support of any merger partners that have been announced so that the list of merger partners posted on PPL Electric's internet website can be updated within seven business days of the announcement of a potential merger partner. Each updated list shall include the date on which the list was updated and be prominently displayed on the PPL Electric internet website.

D. Job Titles and Job Descriptions of Transmission Function Employees

Human Resources-Operations will monitor any changes to job titles and job descriptions of transmission function employees. Human Resources-Operations will advise the Chief Compliance Officer for the Standards of Conduct and ISD, Web Support of any changes so that the list posted on PPL Electric's internet website can be updated within seven business days of the change. Each updated list shall include the date on which the list was updated and be prominently displayed on the PPL Electric internet website.

E. Employee Transfers

Human Resources-Operations will monitor employee transfers from transmission functions to marketing functions. ISD, Web Support will post a notice on PPL Electric's internet website containing the name of the transferring employee, the titles held in the employee's former position and to be held in his or her new position, and the effective date of the transfer. Human Resources-Operations will provide such information to ISD, Web Support in sufficient time for ISD, Web Support to post such information on PPL Electric's internet website within seven days of the effective date of the transfer. The information posted will remain on PPL Electric's internet website for 90 days from the date of posting. Each updated list shall include the date on which the list was updated and be prominently displayed on the PPL Electric internet website.

F. Emergencies

The deadlines for all posting requirements discussed in A-E above may be suspended in the event of emergency for up to one month. PPL Electric may seek an extension of this emergency exemption period by request to FERC.

G. Waiver

If PPL Electric grants a waiver of a tariff provision to an affiliate, the PPL Electric supervisor who approves the waiver must notify the Office of General Counsel as soon as practicable so that a notice of the waiver may be posted within one day. The Office of General Counsel will advise the Chief Compliance Officer and ISD, Web Support of the exercise of waiver to facilitate the posting.

VIII. TRAINING

PPL Electric conducts training on Standard of Conduct compliance annually. Any new transmission function employees, marketing function employees, officers, directors, supervisory employees, and any other employees likely to become privy to transmission function information will be trained within 30 days after commencing their employment. Each trained individual must certify attendance at the annual and new employee training.

IX. BOOKS AND RECORD MAINTENANCE

PPL Electric maintains its books of account and records separately from those of its affiliates that employ or retain marketing function employees, and makes such records available to FERC upon request.