



*The Public Utilities Commission of Ohio*

PUCO USE ONLY		
Date Received	Case Number	Version
	13-894-EL-CRS	August 2004

## **CERTIFICATION APPLICATION FOR RETAIL GENERATION PROVIDERS AND POWER MARKETERS**

Please print or type all required information. Identify all attachments with an exhibit label and title (Example: Exhibit A-13 Company History). All attachments should bear the legal name of the Applicant. Applicants should file completed applications and all related correspondence with the Public Utilities Commission of Ohio, Docketing Division; 180 East Broad Street, Columbus, Ohio 43215-3793.

**This PDF form is designed so that you may input information directly onto the form.  
You may also download the form, by saving it to your local disk, for later use.**

### **A. APPLICANT INFORMATION**

#### **A-1 Applicant intends to be certified as: (check all that apply)**

- |  |                                       |
|--|---------------------------------------|
| <input checked="" type="checkbox"/> Retail Generation Provider | <input type="checkbox"/> Power Broker |
| <input checked="" type="checkbox"/> Power Marketer             | <input type="checkbox"/> Aggregator   |

#### **A-2 Applicant's legal name, address, telephone number and web site address**

Legal Name PPL EnergyPlus, LLC  
Address Two North Ninth Street (GENPL8) Allentown, PA 18101  
Telephone # (888) 289-7693 Web site address (if any) www.pplenergyplus.com

#### **A-3 List name, address, telephone number and web site address under which Applicant will do business in Ohio**

Legal Name PPL EnergyPlus, LLC  
Address Two North Ninth Street (GENPL8) Allentown, PA 18101  
Telephone # (888) 289-7693 Web site address (if any) www.pplenergyplus.com

REGISTERED AGENT IN OH: CT Corporation System 1300 East 9th Street Cleveland, OH 44144

#### **A-4 List all names under which the applicant does business in North America**

PPL EnergyPlus, LLC  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**A-5 Contact person for regulatory or emergency matters**

Name Jesse Dillon  
Title Assistant General Counsel - PPL Services Corporation  
Business address Two North Ninth Street (GENTW4) Allentown, PA 18101-1179  
Telephone # (610) 774-5013 Fax # (610) 774-6726  
E-mail address (if any) JADillon@pplweb.com

**A-6 Contact person for Commission Staff use in investigating customer complaints**

Name Kevin Laguardia  
Title Manager - Retail Operations  
Business address Two North Ninth Street (GENPL8) Allentown, PA 18101-1179  
Telephone # (610) 774-5620 Fax # (610) 774-5746  
E-mail address (if any) KLaguardia@pplweb.com

**A-7 Applicant's address and toll-free number for customer service and complaints**

Customer Service address PPL EnergyPlus, LLC P.O. Box 25225 Lehigh Valley, PA 18002-5225  
Toll-free Telephone # (888) 289-7693 Fax # (610) 774-7229  
E-mail address (if any) \_\_\_\_\_

**A-8 Applicant's federal employer identification number # 232974252**

**A-9 Applicant's form of ownership (check one)**

- |  |  |
|--|--|
| <input type="checkbox"/> Sole Proprietorship                 | <input type="checkbox"/> Partnership                     |
| <input type="checkbox"/> Limited Liability Partnership (LLP) | <input type="checkbox"/> Limited Liability Company (LLC) |
| <input type="checkbox"/> Corporation                         | <input type="checkbox"/> Other _____                     |

**A-10 (Check all that apply) Identify each electric distribution utility certified territory in which the applicant intends to provide service, including identification of each customer class that the applicant intends to serve, for example, residential, small commercial, mercantile commercial, and industrial. (A mercantile customer, as defined in (A) (19) of Section 4928.01 of the Revised Code, is a commercial customer who consumes more than 700,000 kWh/year or is part of a national account in one or more states).**

- |  |                                      |                                     |                                     |                                     |
|--|--------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <input type="checkbox"/> <b>First Energy</b>             |                                      |                                     |                                     |                                     |
| <input type="checkbox"/> Ohio Edison                     | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Toledo Edison                   | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Cleveland Electric Illuminating | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Cincinnati Gas & Electric       | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> Monongahela Power               | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |
| <input type="checkbox"/> American Electric Power         |                                      |                                     |                                     |                                     |
| <input type="checkbox"/> Ohio Power                      | <input type="checkbox"/> Residential | <input type="checkbox"/> Commercial | <input type="checkbox"/> Mercantile | <input type="checkbox"/> Industrial |

<input type="checkbox"/> Columbus Southern Power	<input type="checkbox"/> Residential	<input type="checkbox"/> Commercial	<input type="checkbox"/> Mercantile	<input type="checkbox"/> Industrial
<input type="checkbox"/> Dayton Power and Light	<input type="checkbox"/> Residential	<input type="checkbox"/> Commercial	<input type="checkbox"/> Mercantile	<input type="checkbox"/> Industrial

A-11 Provide the approximate start date that the applicant proposes to begin delivering services

June 1, 2013

**PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:**

- A-12 **Exhibit A-12 "Principal Officers, Directors & Partners"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.
- A-13 **Exhibit A-13 "Corporate Structure,"** provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and a list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America.
- A-14 **Exhibit A-14 "Company History,"** provide a concise description of the applicant's company history and principal business interests.
- A-15 **Exhibit A-15 "Articles of Incorporation and Bylaws,"** if applicable provide the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated and any amendments thereto.
- A-16 **Exhibit A-16 "Secretary of State,"** provide evidence that the applicant has registered with the Ohio Secretary of the State.

## **B. APPLICANT MANAGERIAL CAPABILITY AND EXPERIENCE**

**PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:**

- B-1 **Exhibit B-1 "Jurisdictions of Operation,"** provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services.
- B-2 **Exhibit B-2 "Experience & Plans,"** provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.

- B-3** **Exhibit B-3 "Summary of Experience,"** provide a concise summary of the applicant's experience in providing the service(s) it is seeking to be certified to provide (e.g. number and types of customers served, utility service areas, amount of load, etc.).
- B-4** **Exhibit B-4 "Environmental Disclosure,"** provide a detailed description of how the applicant intends to determine its (a) generation resource mix, and (b) environmental characteristics, including air emissions and radioactive waste. This information shall include sufficient discussion so as to detail both the annual projection methodology and the proposed approach to compiling the quarterly actual environmental disclosure data. Additional details on this requirement may be obtained by referring to 4901:1-21-09.
- B-5** **Exhibit B-5 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.
- B-6** Disclose whether the applicant, a predecessor of the applicant, or any principal officer of the applicant have ever been convicted or held liable for fraud or for violation of any consumer protection or antitrust laws within the past five years.  
☒ No      ☐ Yes
- If yes, provide a separate attachment labeled as **Exhibit B-6 "Disclosure of Consumer Protection Violations"** detailing such violation(s) and providing all relevant documents.
- B-7** Disclose whether the applicant or a predecessor of the applicant has had any certification, license, or application to provide retail or wholesale electric service denied, curtailed, suspended, revoked, or cancelled within the past two years.  
☒ No      ☐ Yes
- If yes, provide a separate attachment labeled as **Exhibit B-7 "Disclosure of Certification Denial, Curtailment, Suspension, or Revocation"** detailing such action(s) and providing all relevant documents.

## **C. APPLICANT FINANCIAL CAPABILITY AND EXPERIENCE**

**PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:**

- C-1** **Exhibit C-1 "Annual Reports,"** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why.

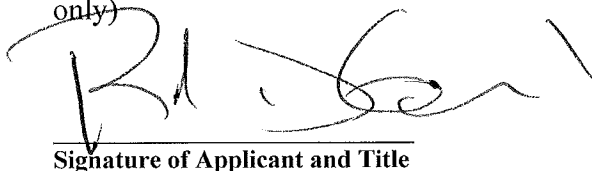
- C-2 **Exhibit C-2 “SEC Filings,”** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.
- C-3 **Exhibit C-3 “Financial Statements,”** provide copies of the applicant’s two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business.
- C-4 **Exhibit C-4 “Financial Arrangements,”** provide copies of the applicant's financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.,).
- C-5 **Exhibit C-5 “Forecasted Financial Statements,”** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant’s CRES operation, along with a list of assumptions, and the name, address, e-mail address, and telephone number of the preparer.
- C-6 **Exhibit C-6 “Credit Rating,”** provide a statement disclosing the applicant’s credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody’s Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant’s parent or affiliate organization that guarantees the obligations of the applicant.
- C-7 **Exhibit C-7 “Credit Report,”** provide a copy of the applicant’s credit report from Experian, Dun and Bradstreet or a similar organization.
- C-8 **Exhibit C-8 “Bankruptcy Information,”** provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.

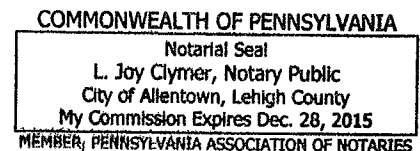
- C-9 Exhibit C-9 "Merger Information," provide a statement describing any dissolution or merger or acquisition of the applicant within the five most recent years preceding the application.

## D. APPLICANT TECHNICAL CAPABILITY

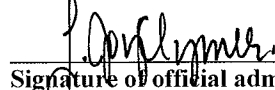
PROVIDE THE FOLLOWING AS SEPARATE ATTACHMENTS AND LABEL AS INDICATED:

- D-1 Exhibit D-1 "Operations" provide a written description of the operational nature of the applicant's business. Please include whether the applicant's operations will include the generation of power for retail sales, the scheduling of retail power for transmission and delivery, the provision of retail ancillary services as well as other services used to arrange for the purchase and delivery of electricity to retail customers.
- D-2 Exhibit D-2 "Operations Expertise," given the operational nature of the applicant's business, provide evidence of the applicant's experience and technical expertise in performing such operations.
- D-3 Exhibit D-3 "Key Technical Personnel," provide the names, titles, e-mail addresses, telephone numbers, and the background of key personnel involved in the operational aspects of the applicant's business.
- D-4 Exhibit D-4 "FERC Power Marketer License Number," provide a statement disclosing the applicant's FERC Power Marketer License number. (Power Marketers only)

  
Signature of Applicant and Title



Sworn and subscribed before me this 10<sup>th</sup> day of April, 2013  
Month Year

  
Signature of official administering oath

L. Joy Clymer, Notary Public  
Print Name and Title

My commission expires on 12/28/2015

# AFFIDAVIT

State of Pennsylvania :

Allentown ss.  
(Town)

County of Lehigh :

Robert D. Calkbald Affiant, being duly sworn/affirmed according to law, deposes and says that:

He/She is the President (Office of Affiant) of APL Energy Plus, LLC (Name of Applicant);

That he/she is authorized to and does make this affidavit for said Applicant,

1. The Applicant herein, attests under penalty of false statement that all statements made in the application for certification are true and complete and that it will amend its application while the application is pending if any substantial changes occur regarding the information provided in the application.
2. The Applicant herein, attests it will timely file an annual report with the Public Utilities Commission of Ohio of its intrastate gross receipts, gross earnings, and sales of kilowatt-hours of electricity pursuant to Division (A) of Section 4905.10, Division (A) of Section 4911.18, and Division (F) of Section 4928.06 of the Revised Code.
3. The Applicant herein, attests that it will timely pay any assessments made pursuant to Sections 4905.10, 4911.18, or Division F of Section 4928.06 of the Revised Code.
4. The Applicant herein, attests that it will comply with all Public Utilities Commission of Ohio rules or orders as adopted pursuant to Chapter 4928 of the Revised Code.
5. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, and its Staff on any utility matter including the investigation of any consumer complaint regarding any service offered or provided by the Applicant.
6. The Applicant herein, attests that it will fully comply with Section 4928.09 of the Revised Code regarding consent to the jurisdiction of Ohio Courts and the service of process.
7. The Applicant herein, attests that it will comply with all state and/or federal rules and regulations concerning consumer protection, the environment, and advertising/promotions.
8. The Applicant herein, attests that it will use its best efforts to verify that any entity with whom it has a contractual relationship to purchase power is in compliance with all applicable licensing requirements of the Federal Energy Regulatory Commission and the Public Utilities Commission of Ohio.
9. The Applicant herein, attests that it will cooperate fully with the Public Utilities Commission of Ohio, the electric distribution companies, the regional transmission entities, and other electric suppliers in the event of an emergency condition that may jeopardize the safety and reliability of the electric service in accordance with the emergency plans and other procedures as may be determined appropriate by the Commission.
10. If applicable to the service(s) the Applicant will provide, the Applicant herein, attests that it will adhere to the reliability standards of (1) the North American Electric Reliability Council (NERC), (2) the appropriate regional reliability council(s), and (3) the Public Utilities Commission of Ohio. (Only applicable if pertains to the services the Applicant is offering)

11. The Applicant herein, attests that it will inform the Commission of any material change to the information supplied in the application within 30 days of such material change, including any change in contact person for regulatory purposes or contact person for Staff use in investigating customer complaints.

That the facts above set forth are true and correct to the best of his/her knowledge, information, and belief and that he/she expects said Applicant to be able to prove the same at any hearing hereof.

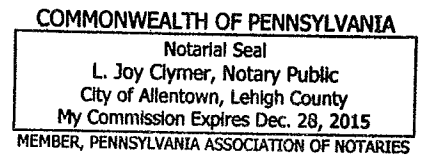
[Signature]  
Signature of Affiant & Title

Sworn and subscribed before me this 10<sup>th</sup> day of April, 2013  
Month Year

[Signature]  
Signature of official administering oath

L. Joy Clymer, Notary Public  
Print Name and Title

My commission expires on 12/28/2015





**SUMMARY OF EXHIBITS**

Exhibit A-12	Principal officers, Directors & Partners
Exhibit A-13	Corporate Structure
Exhibit A-14	Company History
Exhibit A-15	Article of Incorporation and Bylaws
Exhibit A-16	Secretary of State
Exhibit B-1	Jurisdictions of Operation
Exhibit B-2	Experience & Plans
Exhibit B-3	Summary of Experience
Exhibit B-4	Environmental Disclosure
Exhibit B-5	Disclosure of Liabilities and Investigations
Exhibit C-1	Annual Reports
Exhibit C-2	SEC Filings
Exhibit C-3	Financial Statements
Exhibit C-4	Financial Arrangements
Exhibit C-5	Forecasted Financial Statements
Exhibit C-6	Credit Rating
Exhibit C-7	Credit Report
Exhibit C-8	Bankruptcy Information
Exhibit C-9	Merger Information
Exhibit D-1	Operations
Exhibit D-2	Operations Expertise
Exhibit D-3	Key Technical Personnel
Exhibit D-4	FERC Power Marketer License Number

PPL EnergyPlus, LLC

**A-12 Exhibit A-12 "Principal Officers, Directors & Partners"** provide the names, titles, addresses and telephone numbers of the applicant's principal officers, directors, partners, or other similar officials.

Below is a list of managers and officers for PPL EnergyPlus, LLC:

**Officers:**

Robert D. Gabbard, President	(610) 774-4548
L. Gene Alessandrini, Senior Vice President - Marketing	(610) 774-4483
Mark F. Wilten, Treasurer	(610) 774-4848
Russell R. Clelland, Assistant Treasurer	(610) 774-4480
Alexander J. Torok, Assistant Treasurer	(610) 774-3247
Elizabeth Stevens Duane, Secretary	(610) 774-4107
Janis A. Marsh, Assistant Secretary	(610) 774-5286
Michael A. McGrail, Assistant Secretary	(610) 774-5644

**Managers:**

David G. DeCampli	(610) 774-4247
Paul A. Farr	(610) 774-2426
Robert D. Gabbard	(610) 774-4548
Robert J. Grey	(610) 774-5587
William H. Spence	(610) 774-3683

The business address for all of these officers and managers is as follows:

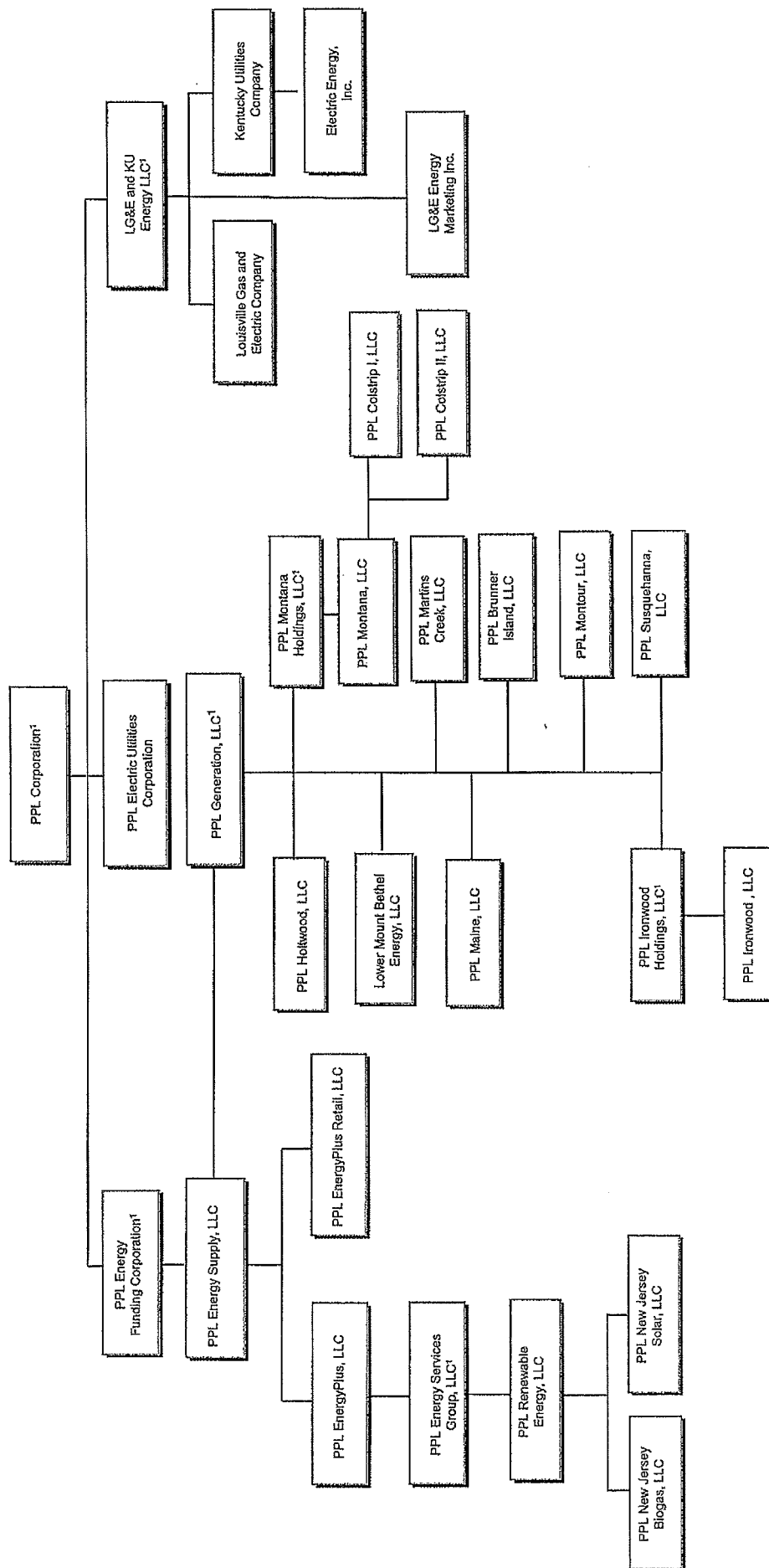
Two North Ninth Street  
Allentown, PA 18101-1179

PPL EnergyPlus, LLC

A-13 Exhibit A-13 "Corporate Structure," provide a description of the applicant's corporate structure, including a graphical depiction of such structure, and list of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America.

Please see attached organization chart which represents a graphical depiction of all affiliate and subsidiary companies that supply retail or wholesale electricity or natural gas to customers in North America.

# PPL EnergyPlus, LLC – Ex. A-13



¹ Holding Company, not supplier of retail or wholesale electricity

**A-14 Exhibit A-14 "Company History," provide a concise description of the applicant's company history and principal business interests.**

PPL EnergyPlus, LLC was originally formed under the name of PP&L EnergyPlus Co. in Pennsylvania as a limited liability company on August 28, 1998. PP&L EnergyPlus Co. changed its name to PP&L EnergyPlus Co., LLC on June 30, 1999. PP&L EnergyPlus Co., LLC changed its name to PPL EnergyPlus, LLC on February 14, 2000. The company was qualified to do business in the state of Ohio on August 14, 2009. PPL EnergyPlus, LLC markets electricity produced by generating stations, and markets and trades wholesale and retail electricity and natural gas, and supplies energy and energy services in competitive markets. PPL EnergyPlus is an indirect wholly-owned subsidiary of PPL Corporation. Headquartered in Allentown, Pennsylvania, PPL Corporation controls or owns about 19,000 megawatts of generating capacity in the United States, sells energy in key U.S. markets, and delivers electricity and natural gas to about 10 million customers in the United States and the United Kingdom.

PPL EnergyPlus, LLC

**A-15 Exhibit A-15 "Articles of Incorporation and Bylaws,"** if applicable provide the articles of incorporation filed with the state or jurisdiction in which the applicant is incorporated and any amendments thereto.

Please see attached Certificate of Organization and Operating Agreement.

COMMONWEALTH OF PENNSYLVANIA

DEPARTMENT OF STATE

FEBRUARY 6, 2013

TO ALL WHOM THESE PRESENTS SHALL COME, GREETING:

**PPL ENERGYPLUS, LLC**

I, Carol Aichele, Secretary of the Commonwealth of Pennsylvania

do hereby certify that the foregoing and annexed is a true and correct  
copy of

- 1 Limited filed on August 28, 1998
- 2 LIMITED LIABILITY AMENDMENT filed on June 30, 1999
- 3 LIMITED LIABILITY AMENDMENT filed on February 14, 2000

which appear of record in this department.



IN TESTIMONY WHEREOF, I have  
hereunto set my hand and caused  
the Seal of the Secretary's Office to  
be affixed, the day and year above  
written.

A handwritten signature in cursive script, reading "Carol Aichele".

Secretary of the Commonwealth

9804-1323

AUG 28 1998

Microfilm Number \_\_\_\_\_

Filed with the Department of State on \_\_\_\_\_

Entry Number \_\_\_\_\_

2833881

Secretary of the Commonwealth

JK

# **CERTIFICATE OF ORGANIZATION-DOMESTIC LIMITED LIABILITY COMPANY** 08CS-15-5013 (Rev. 86)

In compliance with the requirements of 15 Pa.C.S. § 8913 (relating to certificate of organization), the undersigned, desiring to organize a limited liability company, hereby state(s) that:

The name of the limited liability company is: PP&L EnergyPlus Co.

2. The (a) address of this limited liability company's initial registered office in this Commonwealth or (b) name of its commercial registered office provider and the county of venue is:

(a) <u>Two North Ninth Street</u>	<u>Allentown</u>	<u>PA</u>	<u>18101</u>	<u>Lehigh</u>
Number and Street	City	State	Zip	County

(b) c/o: \_\_\_\_\_  
Name of Commercial Registered Office Provider

For a limited liability company represented by a commercial registered office provider, the county in (b) shall be deemed the county in which the limited liability company is located for venue and official publication purposes.

3. The name and address, including street and number, if any, of each organizer are:

NAME	ADDRESS
<u>PP&amp;L, Inc.</u>	<u>Two North Ninth Street, Allentown, PA 18101</u>

~~4. The state of incorporation of a member's interest in the company is to be determined by the state of incorporation of the member.~~

5. (Strike out if inapplicable): Management of the company is vested in a manager or managers.

6. The specified effective date, if any is: upon filing  
month day year hour, if any

7. (Strike out if inapplicable): The company is authorized to employ a manager or managers, to be determined by the following provisions:  
\_\_\_\_\_

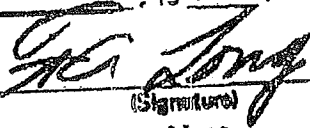
8. For additional provisions of the certificate, if any, attach an 8 1/2 x 11 sheet.



9864-1324

DBCS:16-9513 (Rev 95)-2

IN TESTIMONY WHEREOF, the organizer(s) has (have) signed this Certificate of Organization this 28th day of August, 19 98.

  
(Signature)

Frank A. Long, President

(Signature)

(Signature)

Microfilm Number

9948- 991

Filed with the Department of State on

JUN 30 1999

Entity Number

28 33881

Secretary of the Commonwealth

JK

## CERTIFICATE OF AMENDMENT-DOMESTIC LIMITED LIABILITY COMPANY

DSCB:15-8851 (Rev 25)

In compliance with the requirements of 15 Pa.C.S. § 8951 (relating to certificate of amendment), the undersigned limited liability company, desiring to amend its Certificate of Organization, hereby certifies that:

1. The name of the limited liability company is: PP&L EnergyPlus Co.,

2. The date of filing of the original Certificate of Organization is: August 28, 1998

3. (Check, and if appropriate complete, one of the following):

☒ The amendment adopted by the limited liability company, set forth in full, is as follows:

The name of the limited liability company is:

PP&L EnergyPlus Co., LLC

☐ The amendment adopted by the limited liability company is set forth in full in Exhibit A attached hereto and made a part hereof.

4. (Check, and if appropriate complete, one of the following):

☒ The amendment shall be effective upon filing this Certificate of Amendment in the Department of State.

☐ The amendment shall be effective on: \_\_\_\_\_ at \_\_\_\_\_  
Date Hour

5. (Check if the amendment restates the Certificate of Organization):

☐ The restated Certificate of Organization supersedes the original Certificate of Organization and all previous amendments thereto.

IN TESTIMONY WHEREOF, the undersigned limited liability company has caused this Certificate of Amendment to be executed this 30th day of JUNE, 19 99.

PP&L EnergyPlus Co., LLC

(Name of Limited Liability Company)

BY: Lawrence E. De Simone

Lawrence E. De Simone (Signature)

TITLE: President



**AMENDED AND RESTATED  
OPERATING AGREEMENT  
OF  
PPL ENERGYPLUS, LLC**

3-20-09

**AMENDED AND RESTATED  
OPERATING AGREEMENT  
OF  
PPL ENERGYPLUS, LLC  
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**AMENDED AND RESTATED  
OPERATING AGREEMENT**

**OF**

**PPL ENERGYPLUS, LLC**

THIS AMENDED AND RESTATED OPERATING AGREEMENT (this "Agreement") is entered into this 20th day of March, 2009, by PPL Energy Supply, LLC, a Delaware limited liability company (the "Member").

**EXPLANATORY STATEMENT**

The Member desires to operate a limited liability company in accordance with the terms and subject to the conditions set forth in this Agreement.

NOW, THEREFORE, for good and valuable consideration, the Member, intending legally to be bound, agrees as follows:

**ARTICLE I**

**DEFINED TERMS**

The following capitalized terms shall have the meanings specified in this Article I. Other terms are defined in the text of this Agreement and, throughout this Agreement, those terms shall have the meanings respectively ascribed to them.

"Act" means the Pennsylvania Limited Liability Company Law of 1994, as amended from time to time.

"Agreement" means this Agreement, as amended from time to time.

"Board" means the Board of Managers of the Company described in Section 5.1.

"Capital Contribution" means the total amount of cash and the fair market value of any other assets contributed to the Company by the Member, net of liabilities assumed or to which the assets are subject.

"Cash Flow" means all cash provided by operations of the Company as reflected in the financial statements of the Company.

"Code" means the Internal Revenue Code of 1986, as amended, or any corresponding provision of any succeeding law.

"Company" means PPL EnergyPlus, LLC, the limited liability company formed in accordance with this Agreement.

"Involuntary Withdrawal" means, with respect to the Member, the bankruptcy, insolvency, liquidation or dissolution of the Member under applicable federal or state law.

"Manager" means an individual who serves on the Board of Managers.

"Member" means PPL Energy Supply, LLC and any Person who subsequently is admitted as a member of the Company.

"Pennsylvania Department of State" means the Corporation Bureau of the Pennsylvania Department of State.

"Person" means an individual, a corporation, a partnership, an association, a federal, state, local or foreign governmental or regulatory entity (or any department, agency, authority or political subdivision thereof), a trust or other entity or organization.

"Profit" and "Loss" means, for each taxable year of the Company (or other period for which Profit or Loss must be computed), the Company's net income or net loss determined in accordance with generally accepted accounting principles, as consistently applied by the Company.

## **ARTICLE II**

### **FORMATION AND NAME; OFFICE; PURPOSE; TERM**

2.1. Organization. The Member organized a limited liability company pursuant to the Act and the provisions of this Agreement and, for that purpose, caused a Certificate of Organization to be prepared, executed and filed with the Pennsylvania Department of State on August 28, 1998.

2.2. Name of the Company. The name of the Company shall be PPL EnergyPlus, LLC. The Company may do business under that name and under any other name or names as selected by the Board.

2.3. Purpose. The Company is organized to do all things permitted to be done by limited liability companies under the Act, and to do all things necessary, convenient or incidental to that purpose.

2.4. Term. The term of the Company began upon the acceptance of the Certificate of Organization by the Pennsylvania Department of State and shall continue in existence perpetually unless terminated pursuant to the terms of this Agreement.



2.5. Principal Office. The principal office of the Company shall be located at Two North Ninth Street, Allentown, PA 18101-1179 or at any other place selected by the Member.

2.6. Member. The name, present mailing address and taxpayer identification number of the Member shall be maintained with the books and records of the Company.

### ARTICLE III

#### CAPITAL

3.1. Capital Contributions. The Member originally made a Capital Contribution to the Company of \$100.

3.2. No Other Capital Contributions Required. The Member is not required to contribute any additional capital to the Company, and the Member shall have no personal liability for any obligations of the Company.

### ARTICLE IV

#### PROFIT, LOSS AND DISTRIBUTIONS

All Cash Flow, Profit and Loss shall be distributed or allocated to the Member.

### ARTICLE V

#### MANAGEMENT: RIGHTS, POWERS, AND DUTIES

5.1. Board of Managers.

A. In order to provide for the management of the Company, the Member hereby establishes a Board of Managers consisting of persons elected by the Member. The Board shall have the power, authority and responsibility to manage the Company for and on behalf of the Member and to make decisions as to all matters which the Company has authority to perform, as fully as if the Member were making such decisions. Approval by or action taken by the Board in accordance with this Agreement shall constitute approval or action by the Company.

B. The Board shall at all times consist of not less than three (3) Managers, as determined by the Member.

C. Any individual Manager may be removed from office at any time, without assigning any cause, by the Member.

5.2. Authority of the Board. The Board, by its own action or by action of a majority of the Board, or by delegation to officers of the Company, shall, in addition to any other power granted to it in this Agreement, have the right, power and authority to take the following actions and none of the following actions will be taken without the approval of the Board:

- A. To do and perform all acts as may be necessary or appropriate to the conduct of the Company's business;
- B. To purchase, hold, sell, exchange, transfer and otherwise acquire and dispose of and exercise all rights, powers, privileges and other incidents of ownership or possession with respect to real and personal property, whether tangible or intangible, held by the Company;
- C. To purchase liability and other insurance to protect the Company's property and business;
- D. To execute on behalf of the Company all instruments and documents, including, without limitation, checks, drafts, notes and other negotiable instruments, mortgages or deeds of trust, security agreements, financing statements, documents providing for the acquisition, mortgage or disposition of the Company's property, assignments, bills of sale, leases, partnership agreements, operating agreements of other limited liability companies and any other instruments or documents necessary, in the opinion of the Managers, to the business of the Company;
- E. To employ accountants, legal counsel, managing agents, or other experts or consultants to perform services for the Company and to compensate them from Company funds;
- F. To enter into any and all other agreements on behalf of the Company, with any other person for any purpose, in such forms as the Managers may approve;
- G. With the consent of the Member, to approve of the dissolution of the Company; and
- H. With the consent of the Member, to amend this Agreement.

5.3. Subcommittees. The Board may designate one or more subcommittees. Any subcommittee, to the extent provided by the Board, shall have and may exercise all of the power and authority of the Board.

5.4. Meetings and Voting.

A. Regular and special meetings of the Board shall be held at any time on reasonable notice given by any two Managers. Meetings of the Board shall be held at the Company's principal place of business or at such place as determined by the Board of Managers.

B. The presence in person of at least a majority of the Managers shall constitute a quorum for the transaction of business at a Board meeting. Managers may participate in any Board meeting by means of telephone and participation by such means shall constitute presence in person at such Board meeting. The affirmative vote of a majority of the Managers present at a duly constituted meeting shall govern all of the Board's actions and constitute approval by the Board.

C. In lieu of holding a meeting, the Board may vote or otherwise take action by a written instrument indicating the consent of the Board.

5.5. Officers. The Board may unanimously agree on and appoint positions of president, treasurer, secretary, one or more vice presidents, and any other office that the Board may establish, all with such duties as may be established by the Board.

5.6. Signing Authority. Any document or instrument purporting to bind the Company shall be effective to bind the Company when executed by (a) the Member or (b) a Manager or (c) an officer of the Company expressly authorized to execute such document or instrument by the terms of this Agreement or the written resolutions of the Board.

5.7. Liability and Indemnification. The Company shall indemnify and hold harmless, to the fullest extent permitted by law, (i) the Member, (ii) each Manager, (iii) each Officer, (iv) each agent, partner, employee, counsel and affiliate of the Member, Manager, officer, or of any of their affiliates (individually, an "Indemnified Party"), as follows:

A. The Company shall indemnify and hold harmless, to the fullest extent permitted by law, any Indemnified Party from and against any and all losses, claims, damages, liabilities, expenses (including legal fees and expenses), judgments, fines, settlements and other amounts ("Indemnified Costs") arising from all claims, demands, actions, suits or proceedings ("Actions"), whether civil, criminal, administrative or investigative, in which the Indemnified Party may be involved, or threatened to be involved, as a party or otherwise arising as a result of its status as (i) a Member, (ii) a Manager, (iii) an officer or (iv) an agent, partner, employee, counsel or Affiliate of a Member, a Manager, an officer, or any of their Affiliates, regardless of whether the Indemnified Party continues in the capacity at the time the liability or expense is paid or incurred, and regardless of whether the Action is brought by a third party, or by or in the right of the Company; provided, however, no such Person shall be indemnified for any Indemnified Costs which proximately result from the Person's fraud, bad faith or willful misconduct or the Person's material breach of this Agreement.

B. The Company shall pay or reimburse, to the fullest extent allowed by law and consistent with Section 5.7(A) above, in advance of the final disposition of the proceeding, Indemnified Costs incurred by the Indemnified Party in connection with any Action that is the subject of Section 5.7(A) above.

C. The indemnification and advancement of expenses provided for hereby shall, unless otherwise provided when authorized or ratified, continue as to an Indemnified Party who has ceased to serve in the capacity as to which he or she was indemnified, and shall inure to the benefit of the heirs, executors and assigns of such Indemnified Party.

## **ARTICLE VI**

### **TRANSFER OF MEMBERSHIP INTERESTS; ADMISSION OF NEW MEMBERS**

6.1. Transfer. The Member shall have the right to transfer all (but not less than all) of its membership interest to any Person at any time. Any transferee shall be admitted as a Member as of the effective date of the transfer.

6.2. Admission of New Members. No new Member shall be admitted (other than pursuant to Section 6.1), either by transfer of a portion of the Member's interest, or in any other manner, which causes the Company to have two or more Members, until this Agreement has been amended to provide for such admission, including amendments relating to the governance of the Company, and providing for the allocation of Profits and Losses of the Company among the Members, and such amendment has been accepted by the existing Member and the New Member.

## **ARTICLE VII**

### **DISSOLUTION, LIQUIDATION AND TERMINATION OF THE COMPANY**

7.1. Events of Dissolution. The Company shall be dissolved upon the happening of any of the following events:

- A. upon the election of the Member; or
- B. upon the occurrence of an Involuntary Withdrawal of the Member.

7.2. Procedure for Winding Up and Dissolution. If the Company is dissolved for any reason, the Board shall wind up its affairs, as provided for in the Act.

7.3. Filing of Certificate of Dissolution. If the Company is dissolved, the Board shall promptly file a Certificate of Dissolution with the Pennsylvania Department of State.

## ARTICLE VIII

### BOOKS, RECORDS, ACCOUNTING, AND TAX ELECTIONS

8.1. Bank Accounts. All funds of the Company shall be deposited in a bank account or accounts opened in the Company's name as determined by the Board.

8.2. Books and Records. The Company shall keep or cause to be kept complete and accurate books and records of the Company. The books and records shall be maintained in accordance with generally accepted accounting principles and practices.

8.3. Tax Elections. Any election under any provision of any tax law shall be made only by the Board or by a person authorized to do so by the Board.

## ARTICLE IX

### GENERAL PROVISIONS

9.1. Complete Agreement. This Agreement constitutes the complete and exclusive statement of the Member. It supersedes all prior written and oral statements, including any prior representation, statement, condition or warranty. Except as expressly provided otherwise herein, this Agreement may not be amended without the written consent of the Member.

9.2. Applicable Law. All questions concerning the construction, validity and interpretation of this Agreement and the performance of the obligations imposed by this Agreement shall be governed by the internal law, not the law of conflicts, of the Commonwealth of Pennsylvania.

9.3. Section Titles. The headings herein are inserted as a matter of convenience only, and do not define, limit or describe the scope of this Agreement or the intent of the provisions hereof.

9.4. Binding Provisions. This Agreement is binding upon, and inures to the benefit of, the parties hereto and their respective heirs, executors, administrators, personal and legal representatives, successors and permitted assigns.

9.5. Terms. Common nouns and pronouns shall be deemed to refer to the masculine, feminine, neuter, singular and plural, as the identity of the Person may in the context require.

9.6. Severability of Provisions. Each provision of this Agreement shall be considered severable; and if, for any reason, any provision or provisions herein are determined to

be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

IN WITNESS WHEREOF, the Member has executed, or caused this Agreement to be executed, under seal, as of the date set forth hereinabove.

MEMBER

PPL Energy Supply, LLC

By: James E. Abel  
James E. Abel  
Vice President and Treasurer

g:\steno\subs\ppl energyplus\amended & restated operating agreement09.doc

PPL EnergyPlus, LLC

**A-16 Exhibit A-16 "Secretary of State,"** provide evidence that the applicant has registered with the Ohio Secretary of the State.

See attached

Doc ID --&gt;

200922900102

## Exhibit A-16 "Secretary of State"



DATE:	DOCUMENT ID	DESCRIPTION	FILING	EXPED	PENALTY	CERT	COPY
08/17/2009	200922900102	REG. OF FOR. PROFIT LIM. LIAB. CO. (LFP)	125.00	100.00	.00	.00	.00

## Receipt

This is not a bill. Please do not remit payment.

CT CORPORATION SYSTEM  
4400 EASTON COMMONS WAY, SUITE 125  
ATTN: TIMOTHY ROBERSON  
COLUMBUS, OH 43219

# STATE OF OHIO CERTIFICATE

Ohio Secretary of State, Jennifer Brunner

1876644

It is hereby certified that the Secretary of State of Ohio has custody of the business records for

PPL ENERGYPLUS, LLC

and, that said business records show the filing and recording of:

Document(s)

REG. OF FOR. PROFIT LIM. LIAB. CO.

Document No(s):

200922900102



United States of America  
State of Ohio  
Office of the Secretary of State

Witness my hand and the seal of  
the Secretary of State at Columbus,  
Ohio this 14th day of August, A.D.  
2009.

Ohio Secretary of State





Prescribed by:  
The Ohio Secretary of State  
Central Ohio: (614) 466-3910  
Toll Free: 1-877-SOS-FILE (1-877-767-3453)

www.sos.state.oh.us  
e-mail: busserv@sos.state.oh.us

<b>Expedite this Form: (Select One)</b>	
<b>(Mail Form to one of the following):</b>	
<input checked="" type="radio"/> Expedite	P.O. Box 1390 Columbus, OH 43216
*** Requires an additional fee of \$100 ***	
<input type="radio"/> Non Expedite	P.O. Box 870 Columbus, OH 43216

**REGISTRATION OF A FOREIGN  
LIMITED LIABILITY COMPANY**  
Filing Fee \$125.00

THE UNDERSIGNED DESIRING TO FILE A:

**(CHECK ONLY ONE (1) BOX)**

<p>(1) <input checked="" type="checkbox"/> Registration of a Foreign For-Profit Limited Liability Company (108-LFA) ORC 1705</p> <p>State of Organization <u>Pennsylvania</u></p> <p>Date of Formation <u>August 28, 1998</u></p>	<p>(2) <input type="checkbox"/> Registration of a Foreign Nonprofit Limited Liability Company (108-LFA) ORC 1705</p> <p>State of Organization _____</p> <p>Date of Formation _____</p>
---	--

Name of limited liability company in its state of organization: <u>PPL EnergyPlus, LLC</u>	
Name under which the foreign limited liability company desires to transact business in Ohio (if different from its home state name) is: _____	
Name must include one of the following words or abbreviations: "limited liability company," "limited," "LLC," "L.L.C.," "Ltd.," or "Co."	
<input type="checkbox"/> Check here if additional provisions are attached	
The address to which interested persons may direct requests for copies of the limited liability company's operating agreement, bylaws, or other charter documents of the company is:	
<u>Elizabeth Stevens Duane</u>	
Name	
<u>c/o PPL Services Corporation, Two North Ninth Street</u>	
Street Address / P.O. Box Address	
<u>Allentown</u>	<u>PA</u>
City	State
	<u>18101</u>
	Zip code

RECEIVED  
SECRETARY OF STATE  
2009 AUG 14 PM 12:24  
CLERK SERVICE CENTER

The limited liability company hereby appoints the following as its agent upon whom process against the limited liability company may be served in the state of Ohio. The name and complete address of the agent is:

C T Corporation System

Name

1300 East 9th Street

Mailing Address

Cleveland

City

Ohio

State

44114

Zip Code



If the agent is an individual and using a P.O. Box, check this box to certify the agent is a resident of the state of Ohio.

The limited liability company irrevocably consents to service of process on the agent listed above as long as the authority of the agent continues, and to service of process upon the OHIO SECRETARY OF STATE if:

- a. an agent is not appointed, or
- b. an agent is appointed but the authority of that agent has been revoked, or
- c. the agent cannot be found or served after the exercise of reasonable diligence.

**REQUIRED**

Articles and original appointment of agent must be (signed) by a member, manager or other representative.

  
Signature

Elizabeth Stevens Duane, Authorized Representative

Print Name

8-13-09

Date

Signature

Date

Print Name

Signature

Date

Print Name

PPL EnergyPlus, LLC

**B-1 Exhibit B-1 “Jurisdictions of Operation,”** provide a list of all jurisdictions in which the applicant or any affiliated interest of the applicant is, at the date of filing the application, certified, licensed, registered, or otherwise authorized to provide retail or wholesale electric services.

**License #/State of Issuance:**

Delaware license# 99-394

Maine license# 1999-632

Maryland license# IR-230

Massachusetts license# CS-25

Montana license# N99.8.206

New Jersey license# ESL-003

Pennsylvania license# A-110098

District of Columbia (Washington, D.C.) – Order No. 16943 dated October 19, 2012 granting license to conduct business in the District of Columbia as a marketer of electricity

**B-2** **Exhibit B-2 "Experience & Plans,"** provide a description of the applicant's experience and plan for contracting with customers, providing contracted services, providing billing statements, and responding to customer inquiries and complaints in accordance with Commission rules adopted pursuant to Section 4928.10 of the Revised Code.

PPL EnergyPlus has been supplying electricity to Commercial and Industrial customers since January 2010, and Residential customers since 2011. We have a team of experienced energy supply experts that meet directly with customers to assist them with their energy supply needs and we also work with reputable commercial and industrial energy brokers and consultants who are active in the market. The PPL EnergyPlus Operations staff supports customer enrollments and billing. PPL Solutions, a subsidiary of PPL Corporation, performs the EDI, billing and customer care services for PPL EnergyPlus. Customer complaints are handled directly by PPL EnergyPlus.

**B-3**    **Exhibit B-3 "Summary of Experience,"** provide a concise summary of the applicant's experience in providing the service(s) it is seeking to be certified to provide (e.g. number and types of customers served, utility service areas, amount of load, etc.).

PPL EnergyPlus is a licensed retail electric supplier serving Commercial and Industrial customers in New Jersey, Maryland, Pennsylvania, Delaware, and Montana. The company also is a licensed retail electric supplier for Residential and Small Commercial and Industrial customers in Pennsylvania. The company recently obtained its license to supply to both Commercial and Industrial, as well as Residential customers in Washington, DC. PPL EnergyPlus has in excess of 85,000 customers as of December 31, 2012, associated with approximately 873,000 MWh of sales in the month of December 2012.

**B-4 Exhibit B-4 "Environmental Disclosure,"** provide a detailed description of how the applicant intends to determine its (a) generation resource mix, and (b) environmental characteristics, including air emissions and radioactive waste. This information shall include sufficient discussion so as to detail both the annual projection methodology and the proposed approach to compiling the quarterly actual environmental disclosure data. Additional details on this requirement may be obtained by referring to 4901:1-21-09.

PPL EnergyPlus, LLC will purchase electricity from a range of generators, wholesale suppliers and from PJM. PPL EnergyPlus will comply with the Alternative Energy Portfolio Standards which CRES are required to comply with under Ohio Revised Code Section 4928.64, and the implementing Regulations in Ohio Administrative Code Chapter 4901:1-40. Please see the attachment:

- State of Maryland annual environmental report. This is provided as an example of the type of compliance reporting the applicant currently prepares.



**Environmental Information for Electricity offered by PPL EnergyPlus, LLC**  
**Period Shown: October 1, 2011 through September 30, 2012**  
 (NOTE: PPL EnergyPlus, LLC began serving load to Maryland retail customers in December 2011)

Fuel Sources		
Coal		42.38%
Oil		0.34%
Gas		18.72%
Hydroelectric (Large)		0.94%
Nuclear		35.06%
Other		0.11%
Renewable Energy		
	Fuel Cells	0.00%
	Biomass	0.00%
	Captured Methane Gas	0.29%
	Solar	0.03%
	Municipal Solid Waste	0.53%
	Wind	1.59%
Total Renewable Energy		2.44%
Total Supply Mix		100.00%
The values shown represent the PJM Interconnection average fuel mix associated with the generation of electricity supplied by PPL EnergyPlus, LLC and do not necessarily represent the specific load supplied to Maryland customers. PPL EnergyPlus, LLC is providing this Environmental Information for Electric Power Supply Service in accordance with the Maryland Public Service Commission's Order No. 76241, Case No. 8738. Power plants can generate electricity from a number of different fuel sources, resulting in different emissions. PPL EnergyPlus, LLC reports fuel sources and emissions to customers twice annually, allowing customers to compare data among the companies providing electricity service to Maryland.		
Air Emissions		
Pounds Emitted per Megawatt-hour of Electricity Generated		
Sulfur Dioxide (SO <sub>2</sub> )		2.57
Nitrogen Oxides (NO <sub>x</sub> )		0.95
Carbon Dioxide (CO <sub>2</sub> )		1,089.39
The emission data given represents the amount of air pollution associated with the generation of electricity supplied by PPL EnergyPlus, LLC. These values approximate the emission rate for all electricity generation in the PJM Interconnection (PJM) and do not necessarily represent the specific load supplied to Maryland customers.		

\*PJM Interconnection is a regional transmission organization (RTO) that coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia.

**B-5 Exhibit B-5 "Disclosure of Liabilities and Investigations,"** provide a description of all existing, pending or past rulings, judgments, contingent liabilities, revocation of authority, regulatory investigations, or any other matter that could adversely impact the applicant's financial or operational status or ability to provide the services it is seeking to be certified to provide.

PPL EnergyPlus is not aware of any prior or pending federal, state or local actions, matters or penalties against PPL EnergyPlus that would materially adversely impact PPL EnergyPlus's financial or operational status or ability to provide the services it is seeking to be certified to provide.



PPL EnergyPlus, LLC

**C-1 Exhibit C-1 “Annual Reports,”** provide the two most recent Annual Reports to Shareholders. If applicant does not have annual reports, the applicant should provide similar information in Exhibit C-1 or indicate that Exhibit C-1 is not applicable and why.

Please copy and paste the website below into your internet browser to review the two most recent Annual Reports to Shareholders:

<http://pplweb.mediaroom.com/index.php?s=12281>

PPL EnergyPlus, LLC

**C-2 Exhibit C-2 “SEC Filings,”** provide the most recent 10-K/8-K Filings with the SEC. If applicant does not have such filings, it may submit those of its parent company. If the applicant does not have such filings, then the applicant may indicate in Exhibit C-2 that the applicant is not required to file with the SEC and why.

Please copy the link below to your internet browser for access to the most recent 10-K and 8-K Filing of our parent company, PPL Energy Supply, LLC

<http://www.sec.gov/Archives/edgar/data/55387/000092222413000025/form10k.htm>

[http://www.sec.gov/Archives/edgar/data/922224/000095010313001777/dp36958\\_8k.htm](http://www.sec.gov/Archives/edgar/data/922224/000095010313001777/dp36958_8k.htm)

PPL EnergyPlus, LLC

**C-3 Exhibit C-3 “Financial Statements,”** provide copies of the applicant’s two most recent years of audited financial statements (balance sheet, income statement, and cash flow statement). If audited financial statements are not available, provide officer certified financial statements. If the applicant has not been in business long enough to satisfy this requirement, it shall file audited or officer certified financial statements covering the life of the business.

Below is a link to PPL Corporation’s Form 10-K:

<http://www.sec.gov/Archives/edgar/data/55387/000092222413000025/form10k.htm#esis>

Also attached is a document titled “PPL EnergyPlus – Financial Information 12/31/2012”, submitted to certain RTOs which gives financial information specific to PPL EnergyPlus, LLC.

# **PPL EnergyPlus, LLC - Financial Information**

## **December 31, 2012**

(thousands of dollars)

**Assets** \$ 3,471,399

Tangible Net Worth is the value, determined in accordance with international accounting standards or GAAP, of all the entity's assets less the following:

**Restricted Assets** \$ 41,492

\* assets the ISO reasonably believes to be restricted or potentially unavailable to settle a claim in the event of a default (e.g. regulatory assets, restricted assets, and Affiliate assets), net of any matching liabilities, to the extent that the result of that netting is a positive value)

**Derivative Assets** \$ 502,010

\* derivative assets, net of any matching liabilities, to the extent that the result of that netting is a positive value;

**Liabilities** \$ 1,415,968

\* the amount at which the liabilities of the entity would be shown on a balance sheet in accordance with international accounting standards or GAAP

**Preferred Stock** \$ -

PPL E+ holds no preferred stock nor does it have any noncontrolling interests.

**Non-Controlling Interest** \$ -

**Intangible Assets** \$ 227,081

\* all of the entity's intangible assets (e.g., patents, trademarks, franchises, intellectual property, goodwill and any other assets not having a physical existence), in each case as shown on the most recent financial statements provided by such entity to the ISO.

**Tangible Net Worth** \$ 1,284,848

PPL EnergyPlus, LLC

C-4 Exhibit C -4 “Financial Arrangements,” provide copies of the applicant’s financial arrangements to conduct CRES as a business activity (e.g., guarantees, bank commitments, contractual arrangements, credit agreements, etc.).

On a historical basis, PPL Energy Supply, LLC has provided guarantees to PPL EnergyPlus, LLC.

**See attached template form of parent guaranty** that would be supplied to each Electric Utility which requires such performance assurance in its arrangements with PPL EnergyPlus, LLC.



GUARANTY

This Guaranty ("Guaranty"), dated as of [ ], is made by PPL Energy Supply, LLC, a Delaware limited liability company ("Guarantor"), in favor of [ ], a [ ] ("Beneficiary").

Guarantor enters into this Guaranty in consideration of and as an inducement for Beneficiary entering into that certain [insert name and date of agreement] with PPL EnergyPlus, LLC, a Pennsylvania limited liability company ("Company"), a wholly-owned subsidiary of Guarantor, and any and all Schedules, Cover Sheets, Special Provisions, General Terms and Conditions, Exhibits, Annexes and Appendices thereto and Confirmations thereunder, in each case whether entered into prior to, on or after the date hereof and including any amendments, supplements or modifications thereto (collectively, the "Agreements"), pursuant to which Company and Beneficiary have entered into or may enter into transactions from time to time. Guarantor derives substantial direct and/or indirect benefit from the Agreements between Beneficiary and Company and the transactions thereunder and hereby acknowledges the same.

NOW, THEREFORE, intending to be legally bound hereby, Guarantor covenants and agrees as follows:

1. Guaranty. Guarantor hereby absolutely and unconditionally guarantees to Beneficiary, as primary obligor and not as a surety, the prompt and complete payment in immediately available funds in United States dollars when due of all obligations (present or future, direct or indirect, secured or unsecured, fixed or contingent and whether at stated maturity, acceleration or otherwise) that are now or may hereafter become due and payable from Company to Beneficiary in connection with the Agreements (including, without limitation, interest thereon and late charges as provided in the Agreements or other documents or instruments evidencing or pertaining to transactions thereunder, and all collection costs and documented, out-of-pocket legal and other fees and expenses incurred by Beneficiary in enforcing the obligations under this Guaranty (such costs and expenses collectively, "Enforcement Costs"); provided that Guarantor shall not be liable for any Enforcement Costs if it is ultimately determined that no payment with respect to which such enforcement was brought under this Guaranty is due) (collectively, the "Guaranteed Liabilities"). Notwithstanding anything to the contrary contained herein, in no event shall Guarantor's liability for Guaranteed Liabilities under this Guaranty exceed an aggregate amount equal to the sum of (i) USD [ ], 000,000.00 plus (ii) Enforcement Costs.

2. Term. This Guaranty shall be an absolute, unconditional and continuing guaranty of payment and not of collection, subject to termination as set forth herein. This Guaranty may be terminated by Guarantor at any time and for any reason upon fifteen (15) days prior written notice to Beneficiary; provided that any such termination of this Guaranty shall not affect Guarantor's obligation for Guaranteed Liabilities arising prior to the effective date of such termination (the "Termination Effective Date") or arising at any time on or after the Termination Effective Date pursuant to any transaction or agreement (however defined) entered into prior to the Termination Effective Date that has not been fully performed as of the Termination Effective Date.

3. Waivers of Notice; Certain Defenses; Reinstatement. Guarantor waives: (a) all defenses that it may have under applicable law as a guarantor or surety (other than any defenses and rights to setoff that Company is entitled to that arise out of the Agreements that are not (i) otherwise expressly waived hereunder, (ii) waived under the Agreements or (iii) based upon the insolvency, bankruptcy, or reorganization of Company, the power or authority to enter into and perform under the Agreements, the unenforceability of, or illegality with respect to, the Agreements, any lack or limitation of status or of power, or any incapacity or disability of Company or any trustee or agent thereof, or the failure of Company to have authorized, or to have obtained any approval necessary to enter into or perform under, the Agreements) and (b) notice of acceptance, presentment, demand, dishonor, protest, any sale of collateral security and all other notices whatsoever, except for those expressly required hereunder. This Guaranty shall continue to be effective or be reinstated, as the case may be, without any release or discharge of any obligations if at any time any payment of any of the Guaranteed Liabilities is rescinded, avoided, recovered or must otherwise be returned by Beneficiary upon the insolvency, bankruptcy, or reorganization of Company, Guarantor or any other guarantor or any other person or entity or otherwise, all as though such payment had not been made.

4. Representations and Warranties. Guarantor hereby represents and warrants to Beneficiary as of the date hereof that:

A) Guarantor is duly organized and validly existing under the laws of the jurisdiction of its organization or incorporation and, if relevant under such laws, in good standing;

B) Guarantor has the power to execute, deliver and perform its obligations under this Guaranty, and it has taken all necessary action to authorize such execution, delivery and performance. Such execution, delivery and performance do not (i) violate or conflict with any law applicable to Guarantor, any provision of its constitutional documents, any order, decree, ruling, rule, promulgation or judgment of any court or other agency of government applicable to it or any of its assets or (ii) breach or constitute a default or event of default under, any agreement or instrument binding on or affecting it or any of its assets;

C) All governmental and other consents, approvals, authorizations, licenses, clearances, registrations and declarations that are required to have been obtained by Guarantor with respect to this Guaranty have been obtained and are in full force and effect and all conditions, if any, of all such consents, approvals, authorizations, licenses, clearances, registrations and declarations have been complied with or are continuing to be complied with (to the extent continuing compliance is required); and

D) Guarantor's obligations under this Guaranty constitute legal, valid and binding obligations, enforceable in accordance with its terms (subject to applicable bankruptcy, reorganization, insolvency, moratorium or similar laws affecting creditors' rights generally and subject, as to enforceability, to equitable principles of general application (regardless of whether enforcement is sought in a proceeding in equity or at law)).

5. Effect of Modifications. Guarantor acknowledges that its liability under this Guaranty shall be absolute and unconditional and, without limiting the generality of the foregoing, shall not be affected or impaired by (i) any force majeure (other than a force majeure under any Agreement that relieves Company of liability for the performance of any Guaranteed Liabilities) or act of government in relation to, or directly or indirectly affecting, any of the Agreements, the Guaranteed Liabilities, Company, Beneficiary or Guarantor, (ii) any change in

the financial condition, objects, constituencies or business of Guarantor, Company or Beneficiary, (iii) any change in the corporate existence, structure, form, name or ownership of Company or Guarantor or any dissolution, liquidation, reorganization, readjustment, merger, spin-off, consolidation, transformation of corporate form, transfer of establishment or other alteration of the legal status or structure of Company or Guarantor, (iv) the bankruptcy, winding-up, liquidation, dissolution, insolvency, reorganization or other similar proceeding affecting Company or its assets or any resulting release, stay or discharge of any Guaranteed Liabilities, (v) any transfer or purported transfer of any property to or from Company, Guarantor or any other person or entity, (vi) any lack or limitation of power, incapacity or disability on the part of Company or of its directors, partners or agents or any other irregularity, defect or informality on the part of Company in the Guaranteed Liabilities or (vii) the existence, validity, enforceability or perfection, or lack of any of the foregoing, of any collateral for any of the Guaranteed Liabilities or any negligence or mistake in handling, disposing of, obtaining or failing to collect or perfect a security interest in any collateral for the Guaranteed Liabilities. Guarantor further agrees and consents that Beneficiary may at any time and from time to time, without notice to or further consent of Guarantor (i) extend or otherwise change the time, manner or place of payment of, accelerate, add, accept, exchange, receive, realize upon, settle, perfect, extend, renew, pay compromise, discharge, release or surrender any collateral for or with respect to, or renew, any or all of the Guaranteed Liabilities, (ii) make any agreement with Company for the acceleration, addition, acceptance, exchange, receipt, realization, settlement, perfection, extension, renewal, payment, compromise, discharge, release or surrender thereof or composition, forbearance or concession in respect of any or all of the Guaranteed Liabilities, in whole or in part, or for any amendment, waiver or other modification of the terms of any or all of the Agreements or of the Guaranteed Liabilities, (iii) enter into any other current or future agreement between or among Beneficiary, Company and/or any other person or entity and (iv) apply all amounts at any time received from Company or from collateral with respect to the Guaranteed Liabilities as Beneficiary sees fit or change any such application in whole or in part from time to time as Beneficiary sees fit, without, in each of the foregoing cases referred to in clauses (i), (ii), (iii) and (iv) above, in any way affecting this Guaranty.

6. Independent Obligations; Subrogation. Guarantor's obligations under this Guaranty are independent of all obligations of Company to Beneficiary. Beneficiary shall not be required to proceed first against Company or any other person, firm or corporation or any assets thereof or collateral before proceeding against Guarantor under this Guaranty. Guarantor shall not be subrogated to any of the rights (or if subrogated by operation of law, such Guarantor hereby waives such rights to the extent permitted by applicable law) of Beneficiary as the result of any payment or enforcement of any of the Guaranteed Liabilities until all Guaranteed Liabilities (other than contingent indemnities not then due) have been paid in full (such date, the "Guaranteed Liabilities Full Payment Date"). If any amount shall be paid to Guarantor on account of subrogation at any time prior to the Guaranteed Liabilities Full Payment Date, such amount shall be held by Guarantor in trust for Beneficiary, segregated from other funds of Guarantor, and shall, forthwith upon receipt by Guarantor, be turned over to Beneficiary in the exact form received by Guarantor (duly endorsed by Guarantor to Beneficiary, if required) to be applied against the Guaranteed Liabilities, whether due or to become due, in such order as Beneficiary may determine. On the Guaranteed Liabilities Full Payment Date, Guarantor shall be subrogated to the rights of Beneficiary against Company with respect to any and all such payments made by Guarantor hereunder, and Beneficiary agrees to take such steps as Guarantor may reasonably request, at Guarantor's expense, to confirm and/or implement such subrogation rights.



7. No Exhaustion of Remedies; Cumulative Rights. Beneficiary is not bound or obligated to exhaust its recourse against Company or any other person or entity or any collateral it may hold or take any other action before being entitled to receive payment from Guarantor. Each and every right, remedy and power hereby granted to Beneficiary or afforded it by applicable law or agreement shall be cumulative and not exclusive of any other and may be exercised by Beneficiary from time to time.

8. Notices. All notices and other communications under this Guaranty must be in writing and will be deemed to have been duly given when (i) delivered by hand (with written confirmation of receipt), (ii) sent by telecopier (with written confirmation of receipt), provided that a copy is also mailed to such party, or (iii) when received by the addressee, if sent by a nationally recognized overnight delivery service (receipt requested) or by mailing, certified mail (return receipt requested), in each case to the appropriate addresses and telecopier numbers set forth below (or to such other addresses and telecopier numbers as either party may designate by notice to the other party):

If to Beneficiary:

If to Guarantor: PPL Energy Supply, LLC  
Two North Ninth Street  
Allentown, Pennsylvania 18101  
Attn: Credit Department  
Fax: 610-774-7413

Along with a copy for convenience to:

PPL Services Corp.  
Two North Ninth Street  
Allentown, Pennsylvania 18101  
Attn: Office of General Counsel  
Fax: 610-774-6726

9. Consequential Damages. Guarantor shall not be required to pay special, exemplary, punitive, consequential or indirect damages or opportunity costs or lost profits to Beneficiary except in each case to the extent that they constitute Guaranteed Liabilities that are required to be paid under the applicable Agreement(s).

10. Miscellaneous. This Guaranty and each of its provisions may be waived, modified or varied, in whole or in part, only pursuant to a duly authorized written instrument signed by an authorized officer of both Beneficiary and Guarantor. No failure by Beneficiary to exercise its rights under this Guaranty shall give rise to any estoppel against Beneficiary or excuse Guarantor from performing under this Guaranty. No waiver by Beneficiary of performance by Guarantor under any of the provisions of this Guaranty shall be construed as a waiver of any subsequent performance by Guarantor under the same or any other provisions of this Guaranty. The headings used in this Guaranty are for convenience of reference only and are not to affect the construction of, or to be taken into consideration in interpreting, this Guaranty. A signature delivered by facsimile shall be deemed to be an original signature for purposes of this Guaranty and shall be binding upon Guarantor as an original signature.

11. Successors; Assignment. This Guaranty shall be binding upon the successors and permitted assigns of Guarantor and inure to the benefit of Beneficiary and its successors and assigns. Guarantor shall not assign this Guaranty or delegate any of its duties hereunder without the express prior written consent of Beneficiary, which consent shall not be unreasonably withheld or delayed, and any such purported assignment without such consent shall be void.

12. Governing Law; Jurisdiction. This Guaranty shall be governed by and construed in accordance with the laws of the State of New York (but not the law of conflicts of laws other than Sections 5-1401 and 5-1402 of the New York General Obligations Laws). Guarantor hereby submits to the exclusive jurisdiction of New York State and all federal courts located in the Borough of Manhattan in New York City over any disputes arising out of or relating to this Guaranty. Guarantor hereby irrevocably waives, to the fullest extent it may effectively do so, any claim that any such proceeding brought in such a court has been brought in an inconvenient forum.

13. Entire Agreement. This writing is the complete and exclusive statement of the terms of this Guaranty and supersedes all prior oral or written representations, understandings, and agreements between Beneficiary and Guarantor with respect to the subject matter hereof. Beneficiary and Guarantor agree that there are no conditions to the full effectiveness of this Guaranty.

14. Unenforceable Provisions. Any provision contained in this Guaranty which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

15. Waiver of Jury Trial. GUARANTOR WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY SUIT, ACTION, OR PROCEEDING RELATING TO THIS GUARANTY.

*[Signature page follows]*

IN WITNESS WHEREOF, Guarantor has duly signed this Guaranty as of the first date written above.

PPL Energy Supply, LLC

By: \_\_\_\_\_

Name:

Title:

*[Signature page to the PPL Guaranty]*

PPL EnergyPlus, LLC

**C-5 Exhibit C-5 “Forecasted Financial Statements,”** provide two years of forecasted financial statements (balance sheet, income statement, and cash flow statement) for the applicant’s CRES operation, along with a list of assumptions, and the name, address, email address, and telephone number of the preparer.

Please see attached the attached Ohio Sales Projections.

PPL EnergyPlus - Retail  
Ohio Sales Projections  
CONFIDENTIAL  
3/22/2013

LARGE C&I

	2013	2014
Estimated # of customers		
Estimated MWh		
Estimated Revenues	\$	\$
Estimated Costs	\$	\$
Estimated O&M Costs	\$	\$
Commercial Activity Tax*	\$	\$
Net Margin	\$	\$

\*0.0026 applied to Estimated Revenues

PPL EnergyPlus, LLC

**C-6 Exhibit C-6 “Credit Rating,”** provide a statement disclosing the applicant’s credit rating as reported by two of the following organizations: Duff & Phelps, Dun and Bradstreet Information Services, Fitch IBCA, Moody’s Investors Service, Standard & Poors, or a similar organization. In instances where an applicant does not have its own credit ratings, it may substitute the credit ratings of a parent or affiliate organization, provided the applicant submits a statement signed by a principal officer of the applicant’s parent or affiliate organization that guarantees the obligations of the applicant.

See attached Board Resolution authorizing PPL Energy Supply, LLC, which has obtained investment grade credit ratings on its long-term unsecured debt, and therefore sufficient creditworthiness to guarantee the obligations of its direct subsidiary, PPL EnergyPlus, LLC

**Dun and Bradstreet Information Services**

PPL EnergyPlus, LLC – 04-741-4524. PPL EnergyPlus is rated and financials are part of PPL Energy Supply.

D&B Rating: 2

**MOODY’S  
INVESTORS SERVICE**

**Credit Opinion: PPL Energy Supply, LLC**

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Global Credit Research - 29 Jun 2012

*Allentown, Pennsylvania, United States*

**Ratings**

Category	Moody's Rating
Outlook	Stable
Sr Unsec Bank Credit Facility	Baa2
Senior Unsecured	Baa2
Subordinate Shelf	(P)Baa3
Pref. Shelf	(P)Ba1
Commercial Paper	P-2
<b>Parent: PPL Corporation</b>	
Outlook	Stable
Issuer Rating	Baa3
Pref. Shelf	(P)Ba2

I, DIANE M. KOCH, Assistant Secretary of PPL Corporation, do hereby CERTIFY that the following is a true and correct copy of certain resolutions duly adopted by the Finance Committee of the Board of Directors of the Company at a meeting held on November 15, 2001, and that said resolutions have not been altered, amended or repealed and are in full force and effect.

WHEREAS, PPL Energy Supply, LLC ("Energy Supply") has obtained investment grade credit ratings on its long-term unsecured debt and therefore has sufficient creditworthiness to guarantee and provide other credit support for the obligations of its direct and indirect subsidiaries without recourse to PPL Corporation (the "Company"); and

WHEREAS, this Company has in place numerous guarantees and other credit support for the obligations of Energy Supply's direct and indirect subsidiaries, which guarantees and other credit support can and should be assigned or otherwise transferred to Energy Supply; and

WHEREAS, Energy Supply's direct and indirect subsidiaries will continue to require parental guarantees or other credit support for their obligations, which can now be provided by Energy Supply.

NOW, THEREFORE, BE IT RESOLVED, That this Company is hereby authorized to assign or otherwise transfer to Energy Supply any and all guarantees and other credit support of the obligations of Energy Supply's direct and indirect subsidiaries as either the Executive Vice President and Chief Financial Officer or the Vice President-Finance and Treasurer of this Company may deem appropriate or desirable; and further

RESOLVED, That the Executive Vice President and Chief Financial Officer and the Vice President-Finance and Treasurer of this Company are each hereby authorized to prepare, negotiate, execute and/or deliver, on behalf of this Company, any and all documents, instruments and certificates as may be necessary, or, in their judgment, desirable, from time to time, to carry out the purposes of the foregoing resolution; all such documents, instruments and certificates to contain such terms and to be in be in such form or forms as the officer executing the same may

approve, such approval to be conclusively evidenced by such officer's execution thereof; and further

RESOLVED, That Energy Supply is hereby authorized to guarantee or provide other credit support for any and all obligations of its direct and indirect subsidiaries as may be necessary or appropriate in the business operations of such subsidiaries; and further

RESOLVED, That the President, a Vice President, Treasurer and Assistant Treasurer of Energy Supply are each hereby authorized to prepare, negotiate, execute and/or deliver, on behalf of Energy Supply, guarantees and other credit support and any other documents, instruments or certificates as may be necessary or, in their judgment, desirable, from time to time, to carry out the purposes of the foregoing resolution; all such guarantees, documents, instruments and certificates to include such terms and to be in such form or forms as the officer executing the same may approve, such approval to be conclusively evidenced by such officer's execution thereof; and further

RESOLVED, That all actions heretofore taken by the proper officers of this Company and of Energy Supply in connection with the matters referred to in the foregoing resolutions, including the execution of any assignments, guarantees, documents, instruments and certificates, are hereby ratified, confirmed and approved in all respects; and further

RESOLVED, That the proper officers of this Company are hereby authorized to do all such acts and other things as may be necessary or, in their judgment, desirable to carry out the purposes of the foregoing resolutions.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Company this 26<sup>th</sup> day of December, 2008.

  
Assistant Secretary



PPL EnergyPlus, LLC

**C-7 Exhibit C-7 "Credit Report,"** provide a copy of the applicant's credit report from Experian, Dun and Bradstreet or a similar organization.

See attached

# MOODY'S

## INVESTORS SERVICE

### Credit Opinion: PPL Energy Supply, LLC

Global Credit Research - 29 Jun 2012

Allentown, Pennsylvania, United States

#### Ratings

Category	Moody's Rating
Outlook	Stable
Sr Unsec Bank Credit Facility	Baa2
Senior Unsecured	Baa2
Subordinate Shelf	(P)Baa3
Pref. Shelf	(P)Ba1
Commercial Paper	P-2
<b>Parent: PPL Corporation</b>	
Outlook	Stable
Issuer Rating	Baa3
Pref. Shelf	(P)Ba2

#### Contacts

Analyst	Phone
A.J. Sabatelle/New York City	212.553.4136
William L. Hess/New York City	212.553.3837

#### Key Indicators

##### [1]PPL Energy Supply, LLC

	LTM (03/31)	2011	2010	2009
(CFO Pre-W/C + Interest) / Interest Expense	5.1x	4.8x	7.5x	3.5x
(CFO Pre-W/C) / Debt	24%	23%	28%	13%
RCF/Debt	8%	19%	-35%	4%
FCF/Debt	-17%	-6%	-51%	-6%

[1] All ratios calculated in accordance with the Global Unregulated Utility and Power Rating Methodology using Moody's standard adjustments.

Note: For definitions of Moody's most common ratio terms please see the accompanying User's Guide.

#### Opinion

##### Rating Drivers

- Strong market and competitive position
- Cash flow metrics and margins expected to trend downward
- Leverage and construction expenditures anticipated to decline over the next several years
- Recent acquisitions of regulated utilities reduce reliance on PPL Supply for cash flow and dividends

- Acquisition of AES Ironwood gas plant enhances generation resource mix in core market
- Hedging strategy and commodity platform supported by multiple sources of liquidity

### **Corporate Profile**

PPL Energy Supply LLC (PPL Supply: Baa2 senior unsecured, stable) is a holding company engaged primarily in the generation and marketing of power primarily in the northeastern and western US power markets. PPL Supply's businesses are conducted through PPL Generation LLC (PPL Generation) and PPL Energy Plus LLC (PPL Energy Plus). PPL Supply is an indirect wholly-owned subsidiary of PPL Corporation (PPL: Baa3 Issuer Rating, stable), a diversified energy holding company based in Allentown, PA.

For more information on PPL and other affiliates, please refer to [moodys.com](http://moodys.com) for updated research.

### **SUMMARY RATING RATIONALE**

The Baa2 senior unsecured rating for PPL Supply reflects a strong competitive position in two different power markets, an expectation of weaker standalone credit metrics, and a balanced fuel mix. The rating also reflects our expectation that PPL Supply's standalone leverage will decline by more than 30% over the next several years which will help to mitigate the current down cycle of power prices on PPL Supply's standalone cash flow metrics. Over the next three years, PPL Supply has more than \$1 billion of scheduled debt maturities, the vast majority of which we believe will be repaid from internal sources. In the near-term, PPL Supply's retained cash flow and free cash flow will be under pressure due to still elevated capital expenditures in 2012 along with the payment of dividend to the parent. The rating factors in an expectation that these funding requirements will level off in the intermediate term as capital investment at PPL Supply ramps down and the subsidiary becomes less relevant for earnings growth and dividend contributions once the build-out of PPL's regulated utilities is completed. That being said, Moody's observes that PPL Supply's standalone credit metrics remain weak for the current rating category and lower than anticipated margins and cash flow could place downward pressure on the rating.

### **DETAILED RATING CONSIDERATIONS**

- Relatively strong market and competitive position

With approximately 11,000 megawatts (MW) of generation resources, including approximately 2,275 MW of nuclear, 3,450 MW of coal facilities, and 3,300 of natural gas facilities located primarily within the highly liquid and transparent PJM market coupled with the strategic positioning of its approximately 1,300 MW of coal and hydro assets in Montana, we consider PPL Supply's market and competitive position to be relatively strong. This position is not likely to change over the foreseeable future. In April 2012, PPL Supply, through wholly subsidiary PPL Generation completed the acquisition of AES Ironwood, a 700 MW combined cycle natural gas fired power plant in central Pennsylvania. Since 2008, PPL Supply, through subsidiary PPL Energy Plus, has supplied natural gas for the operation of the Ironwood facility and received the full electric output and capacity via a tolling agreement that expires in 2021. The \$87 million acquisition will enable PPL Supply have full operational control of the power plant which should enhance the company's fleet, particularly in light of current low natural gas prices.

- Acquisition of regulated utilities in Kentucky and the UK reduces PPL Supply's relevance for earnings and dividends

PPL's acquisitions of two large regulated utility systems has transformed the company's business platform enabling it to significantly de-risk the family as future earnings growth is expected to come from rate regulated infrastructure business, the most noteworthy of which is in Kentucky where \$6.3 billion of generation related rate base will be added. Moreover, these transforming transactions permanently lowered PPL Supply's relative importance from an income and cash flow contribution perspective (to 25-30% of consolidated results) from a 75% level prior to these acquisitions. We believe that management will continue to approach capital allocation in a conservative fashion including the issuance of additional common equity, when needed to support the utilities' large capital investment program. To that end, in April 2012, PPL issued approximately \$280 million of new common stock. From an environmental perspective, aside from fairly modest capital requirements at Brunner Island, a 1,470 mw coal-fired power plant in eastern PA, PPL Supply is reasonably well-positioned with its assets standing to benefit from future plant retirements and tighter reserve margins in eastern PJM.

- Standalone cash flow metrics and margins likely to have a downward trend

PPL Supply's standalone financial results during 2011 were somewhat weaker when compared to 2010 due to

lower generation margins and lower capacity revenues in eastern PJM which when combined with an abnormally warm winter resulted in a \$400 million reduction in gross energy margins on a year-over - year basis. Additionally, the Susquehanna Nuclear Plant outage cost PPL Supply \$63 million on an after- tax basis. Also, cash flow metrics in 2010 benefited from the expiration of rate caps and expiration of PLR contracts at the end of 2009, which had an abnormally positive impact on cash flows in 2010.

Overall, we calculate that PPL Supply's cash flow (CFO-pre W/C) in 2011 of \$1.1 billion represented about 23% of PPL Supply's debt compared to almost 28% in 2010. However, other cash flow metrics reported at PPL Supply were in-line with its Baa2 rating, including cash flow interest coverage of 5.1x at LTM 03/31/2012 and retained cash flow to debt of 19% at year-end 2011.

For 2012, Moody's expects PPL Supply's results in 2012 to be similar to those recorded in 2011 due in large part to an active hedging strategy. PPL Supply is 99% hedged for the remainder of 2012 and 84% hedged for 2013.

-Leverage expected to decline over the next several years; may help to offset decline in margins

Incorporated in our current rating is the expectation that with the decline in expected margins and cash flow, PPL Supply will be reducing leverage over the next few years on a standalone basis. As mentioned, the company has more than \$1.0 billion of maturing debt and our current rating anticipates that the vast majority of this debt will be repaid at maturity from internal sources. Specifically, \$737 million matures in 2013 in two financings and \$300 million matures in 2014. We also observe that over the last several years, PPL sold several non-core generating assets, including its Maine hydroelectric business and its Long Island generation business.

-Outages continue at Susquehanna nuclear plant

On March 31, 2012, Susquehanna Unit 1 began its planned refueling and maintenance outage to replace one row of turbine blades due to cracks that were similar, but less extensive than the damage that caused an outage in 2011. Unit 1 returned to service on June 7th. Susquehanna Unit 2 was subsequently shutdown on May 30th in order for management to inspect the turbine blades for similar damage; however no damage was found to the blades. Unit 2 returned to service on June 15th. Because of the duration of the outages and the "off-peak" timeframe of their occurrence, these outages are not expected to materially impact 2012 financial results.

In light of this outage, which appears fairly limited, and well as last year's outage, which was more extensive and negatively impacted 2011 financial results (by \$63 million on an after-tax basis), Moody's has concerns about the reoccurring nature of these outages and whether unscheduled nuclear plant outages are a chronic occurrence for PPL Supply. This is particularly of concern given the importance of Susquehanna to PPL Supply's generation fleet coupled with the company's hedging strategy which requires strong plant operating performance for the hedging strategy to be reasonably effective from a financial perspective. As such, to the extent that an additional unscheduled extended outage occurred at the Susquehanna plants, PPL Supply's rating would come under negative rating pressure.

-PPL Montana impacted by two court decisions during 2011; One favorable, the other less favorable

On February 22nd, the U.S. Supreme Court overturned a 2010 Montana State Supreme Court decision that had required PPL Montana LLC (Baa3 senior secured; stable), a PPL Supply subsidiary, to pay \$89 million in rent to the state of Montana for the use of riverbeds. Two other hydropower producers, PacifiCorp and Avista Corp, each settled the case and agreed to pay their rent for use of the riverbeds. PPL fought the issue and ultimately appealed the case to the U.S. Supreme Court after the Montana Supreme Court had ruled against them.

In October 2011, Southern Montana Generation & Transmission (SMGT), a Montana G&T cooperative filed for protection under Chapter 11 of the U.S. Bankruptcy Code. SMGT was the purchaser of electricity under a long-term supply contract with PPL Montana expiring in June 2019 (SMGT contract). In March 2012, the Montana Bankruptcy Court issued an order approving PPL's request to terminate the SMGT contract. Such termination became effective April 1, 2012. PPL Supply's receivable under the SMGT contract was \$22 million at March 31, 2012. While termination of the above-market SMGT contract will negatively affect PPL Montana's results, most of PPL Montana's contracted revenue continues to be provided by electricity sales to Northwestern Corporation (Baa1 stable) under a PPA that expires in 2014.

For more information on PPL Montana, please refer to the Credit Opinion which can be found on moodys.com.

-Strong geographic and fuel diversification

PPL Supply benefits from its geographic and fuel diversification. PPL Supply's generation assets are predominately in Pennsylvania, but as mentioned above, PPL Supply also owns critical generating facilities in Montana. In addition to geographic diversification, the company also benefits from a predominately low-cost base load portfolio; however, it does have some exposure to carbon intensive fuels. In most years, and assuming normal operations, we anticipate that approximately 47% of PPL Supply's power production is expected to be produced from coal, 29% from nuclear, 17% from gas/oil, and 8% from hydro. As discussed above, PPL Supply's largest Pennsylvania coal plants are fully scrubbed with the company spending more than \$1 billion since 2005 on the Montour and Brunner Island plants.

### **Liquidity Profile**

PPL Supply's liquidity profile is supported by relatively stable core cash flows, a declining capital investment program beginning in 2013, and an expectation for a more modest dividend payout in light of the parent's acquisitions of the Kentucky and UK utility properties. Additionally, PPL Supply's liquidity profile benefits from a variety of sources which collectively helps to manage the margin and working capital requirements at the unregulated power business.

Moody's calculates that over the 2012 -2014 period, PPL Supply should be generally cash flow neutral to modestly cash flow negative due to the expected decline in capital investment requirements at PPL Supply along with our expectation that dividend requirements for PPL Supply will moderate due to the expected growing contributions from PPL's other rate regulated businesses.

At March 31, 2012, PPL Supply had cash on hand of \$135 million and access to a total of \$4.5 billion of credit and collateral posting facilities.

PPL Supply's core revolvers aggregate to \$3.2 billion with \$3.0 billion of the commitment expiring in 2016 and \$200 million being represented by a letter of credit facility expiring in 2013. At March 31, 2012, \$2.422 billion was available under these facilities. PPL Supply's credit facilities have a limitation on debt to capitalization at 65%. Neither facility contains a material adverse change (MAC) clause.

PPL Supply and three of its affiliates, PPL Energy Plus, PPL Montour and PPL Brunner Island also maintain an \$800 million secured energy marketing and trading facility, whereby PPL Energy Plus receives credit to be applied to satisfy collateral posting obligations related to its energy marketing and trading activities with counterparties participating in the facility. The credit amount is guaranteed by PPL Energy Supply, PPL Montour and PPL Brunner Island. PPL Montour and PPL Brunner Island have granted liens on their respective generating facilities to secure any amount they may owe under their guarantees. The facility expires in November 2015, but is subject to automatic one-year renewals under certain conditions. There were no secured obligations outstanding under this facility at March 31, 2012.

In addition to the above, PPL Supply maintains a \$500 million facility agreement expiring June 2017, whereby PPL Supply has the ability to request up to \$500 million of committed letters of credit capacity at fees to be agreed upon at the time of each request, based on certain market conditions. At March 31, 2012, PPL Supply had not requested any capacity for the issuance of letters of credit under this arrangement.

In March 2012, PPL Supply increased the size of its recently reestablished Prime -2 commercial paper program to \$750 million from \$500 million. At March 31, 2012, PPL Supply had \$400 million of commercial paper outstanding.

PPL Supply's nearest debt maturity is \$300 million of senior unsecured senior notes due July 2013 with the next scheduled maturity occurring in December 2013 when \$437 million of senior secured notes mature.

In terms of contingent capital requirements, at March 31, 2012, if the credit contingent provisions underlying all derivative instruments were triggered due to a credit downgrade below investment grade, PPL Supply would have been required to prepay or post additional collateral of \$425 million.

### **Rating Outlook**

While PPL Supply's standalone rating of Baa2 remains weakly positioned, the stable outlook factors efforts by management to de-risk the PPL enterprise through the completion of 2010 and 2011 acquisitions that has permanently lowered the corporation's dependence on PPL Supply. The stable rating outlook incorporates a view that management will take steps to further de-lever PPL Supply on a standalone basis over the next several years with such de-levering efforts anticipated to begin during 2013 when \$737 million of maturing debt comes due. The stable rating outlook factors in our belief that internal cash flow will satisfy most of the company's capital and

dividend requirements for the next few years due to the decline in capital expenditures and more moderate dividend payments.

### What Could Change the Rating - Up

Expected debt reduction is anticipated to occur during 2013 and 2014 so some of the key credit metrics for 2012 are likely to remain weakly positioned in the mid-Baa rating category. In light of these factors and the headwinds facing the unregulated power sector, very limited prospects exist for the ratings to be upgraded.

### What Could Change the Rating - Down

As the standalone PPL Supply rating is weakly positioned at its current Baa2 rating, the rating could be downgraded if there is an increased likelihood of greater than expected cash flow deterioration over the next 18 months, if higher than expected dividends are paid by PPL Supply to the parent during the down cycle, or if our understanding of the company's debt reduction program does not end up with strong enough credit metrics for the mid-Baa rating. Specifically, if the ratio of cash flow to debt falls to below 23%, if the ratio of retained cash flow to debt falls below the mid-teens, or if the cash flow coverage of interest expense declines to substantially below 5.0x on a sustained basis, downward rating pressure will materialize. Also, should the company's free cash flow over the next several years become negative in a meaningful way, ratings could be negatively affected. Finally, as mentioned earlier, should extended nuclear outages at Susquehanna become a chronic issue, the ratings will be downgraded.

### Other Considerations

Moody's evaluates PPL Supply's financial performance relative to the Unregulated Utilities and Power Companies rating methodology (the methodology) published in August 2009. As depicted in the grid, PPL Supply's indicated rating under the methodology is Baa3 on an historical and prospective basis as compared to its current Baa2 senior unsecured rating. While the grid indicated rating on an historical and prospective basis would suggest a lower rating for PPL Supply, the current rating incorporates management's ability to de-risk the PPL family through recent acquisitions, which indirectly benefits PPL Supply's credit quality, along with our current belief that the company will de-lever this subsidiary on a standalone basis to a level sufficient to maintain the existing rating.

### Rating Factors

#### PPL Energy Supply, LLC

Unregulated Power Companies [1][2]	Current LTM (03/31/2012)		Moody's 12-18 month Forward View*	
Factor 1: Market Assessment, Scale and Competitive Position (20%)	Measure	Score	Measure	Score
a) Market and Competitive Position (15%)		Baa		Baa
b) Geographic Diversity (5%)		Baa		Baa
Factor 2: Cash Flow Predictability of Business Model (20%)				
a) Hedging strategy (10%)		Baa		Baa
b) Fuel Strategy and mix (5%)		Baa		Baa
c) Capital requirements and operational performance (5%)		Baa		Baa
Factor 3: Financial policy (10%)		Baa		Baa
Factor 4: Financial Strength - Key Financial Metrics (50%)				
a) CFO pre-WC + Interest / Interest (15%) (3yr Avg)		Baa	4-6x 22-26% 12-18% (5)-5%)	Baa
b) CFO pre-WC / Debt (20%) (3yr Avg)		Baa		Baa
c) RCF / Debt (7.5%) (3yr Avg)		Caa		Baa
d) FCF / Debt (7.5%) (3yr Avg)		B		Ba
Rating:				
a) Indicated Rating from Grid		Baa3		Baa3

[b] Actual Rating Assigned		Baa2		Baa2
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\* THIS REPRESENTS MOODY'S FORWARD VIEW; NOT THE VIEW OF THE ISSUER; AND UNLESS NOTED IN THE TEXT DOES NOT INCORPORATE SIGNIFICANT ACQUISITIONS OR DIVESTITURES

[1] All ratios are calculated using Moody's Standard Adjustments. [2] As of 03/31/2011 (LTM); Source: Moody's Financial Metrics



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PPL EnergyPlus, LLC

C-8 Exhibit C-8 "Bankruptcy Information." provide a list and description of any reorganizations, protection from creditors or any other form of bankruptcy filings made by the applicant, a parent or affiliate organization that guarantees the obligations of the applicant or any officer of the applicant in the current year or within the two most recent years preceding the application.

Neither PPL EnergyPlus, LLC nor its parents or affiliates that guaranty the obligations of the applicant nor any officer of the applicant has filed for bankruptcy in the last seven years.

PPL EnergyPlus, LLC

**C-9 Exhibit C-9 “Merger Information,”** provide a statement describing any dissolution or merger or acquisition of the applicant within the five most recent years preceding the application.

None.

**D-1** **Exhibit D-1 "Operations"** provide a written description of the operational nature of the applicant's business. Please include whether the applicant's operations will include the generation of power for retail sales, the scheduling of retail power for transmission and delivery, the provision of retail ancillary services as well as other services used to arrange for the purchase and delivery of electricity to retail customers.

PPL EnergyPlus buys and sells energy commodities and structured products in competitive wholesale energy markets, backed by about 11,000 megawatts of PPL-owned merchant generating capacity and natural gas supply portfolio. We also buy and sell fuels such as coal and natural gas, as well as renewable energy credits and emission allowances under the trading provisions of the Clean Air Act. We operate state-of-the art trading centers in Allentown, Pa., for the East and Butte, Mont., for the West.

PPL EnergyPlus is active in competitive retail energy markets in New Jersey, Maryland, Delaware and Pennsylvania, providing electricity and natural gas supply, renewable energy, energy services and options such as demand-management programs to meet the diverse needs of business customers. We also offer electricity supply to select residential customers in Pennsylvania.

PPL EnergyPlus' services include the purchasing of retail power for delivery, the scheduling of retail power for transmission and delivery, the provision of retail ancillary services as well as other services used to arrange for the purchase and delivery of electricity to retail customers.

**D-2    Exhibit D-2 “Operations Expertise,”** given the operational nature of the applicant’s business, provide evidence of the applicant’s experience and technical expertise in performing such operations.

The retail business of PPL EnergyPlus, LLC operates in Maryland, Delaware, Pennsylvania and New Jersey, and uses PPL Solutions, LLC as its EDI provider and Customer Care representation. PPL Solutions, LLC provides professional billing and EDI services for a number of retail energy providers and is a recognized industry leader for customer care within the retail electric market. Some of the services they provide, include, but are not limited to: relationship management, initial bill customer follow-up, responses to customer questions, responses to internet inquiries, account management, account information updates, problem resolution, regulatory management, and responses to regulatory complaints.

To acquire Residential and Small Commercial customers, PPL Energy Plus, LLC uses a dynamic tool called the Customer Acquisition System (CAS), which allows potential customers the ability to view and select a plan from multiple offers and immediately enroll for service. The enrollment process is secure and customer information is protected through an encrypted secure connection to our portal. The easy-to-use screens allow customers to navigate and accept the offer that provides benefits and savings for their residence or business. Once all information is complete, the new customer information will automatically be enrolled into PPL Energy Plus’ enrollment application for automatic communication with the EDI provider, PPL Solutions, LLC. The pricing section is linked directly to PPL Energy Plus’ complex billing system, reducing the potential for pricing errors. All customer comments are logged providing additional information on any disapprovals or opt-outs throughout the process. From marketing communications to historical price offers, all information is held on secure server systems.

For Large Commercial and Industrial (C&I) customers, PPL Energy Plus, LLC enters the contracts with C&I customers in Salesforce. This contract information is tallied into a Salesforce report that is put into an excel spreadsheet (enrollment template) for Solutions to upload into their system. This enrollment template captures the necessary components to enroll the customer with the utility, including, but not limited to, account number, product, pricing components, billing and service address, tax exemption status, bill options, etc.

Once the enrollment template is complete, it is verified for completion and correctness against the contract and re-verified by a support group called Trading Controls for accurate and detailed financial reports which flow to our wholesale division. A control document is also generated to PPL Solutions, LLC, which contains the enrollment file. PPL Solutions, LLC places the excel file into an uploader to batch process into the system. Once the PPL Solutions, LLC system is updated, another member of the PPL Solutions, LLC team verifies the upload for completion and correctness based on the enrollment template sent by PPL Energy Plus, LLC.

PPL EnergyPlus, LLC has employees with a wealth of knowledge, who have experience building a variety of retail energy markets which span every ISO and RTO within the United States. The operation and management team is responsible for the design and implementation of marketing and sales strategies in the regulated and competitive energy markets.

The majority of people on this team averages more than a decade of experience in the regulated and deregulated energy industry and has held key leadership and managerial positions in generation operations, utility operations, compliance, marketing, and sales. A select few members of the operations staff have been trained not only on retail energy markets but also in-depth market design within wholesale energy commodities such as electricity, gas, coal, and oil. Their knowledgebase includes, but is not limited to, multi-commodity / multiple ISO/RTO pricing, scheduling, market design, implementation, and compliance.

**D-3** **Exhibit D-3 “Key Technical Personnel,”** provide the names, titles, e-mail addresses, telephone numbers, and the background of key personnel involved in the operational aspects of the applicant’s business.

Name	Title	Email	Telephone #	Background
Kevin Laguardia	Manager - Retail Operations	<a href="mailto:klaguardia@pplweb.com">klaguardia@pplweb.com</a>	610-774-5620	Over 20 years of industry experience. Manages strategy and direction of the Retail Operations team.
Thomas Murray	Senior Specialist	<a href="mailto:tmurray@pplweb.com">tmurray@pplweb.com</a>	610-774-5361	Over 20 years of industry experience. Oversees interrelation of Retail Operations to other key business groups.
Alex Wimmer	EMT Senior Analyst	<a href="mailto:awimmer@pplweb.com">awimmer@pplweb.com</a>	610-774-2098	Over 15 years of industry experience. Specialization in EDI, databases and various IT applications.
Meghan Silvia	EMT Staff Analyst	<a href="mailto:msilvia@pplweb.com">msilvia@pplweb.com</a>	610-774-2417	Over 7 years of industry experience. Specialization in billing resolution, account maintenance and utility compliance.
Erik Lett	EMT Analyst	<a href="mailto:ellett@pplweb.com">ellett@pplweb.com</a>	610-774-5552	Over 2 years of industry experience. Specialization in billing resolution and account maintenance.
Kim Wasmanski	EMT Analyst	<a href="mailto:kwasmanski@pplweb.com">kwasmanski@pplweb.com</a>	610-774-7134	Over 1 year of industry experience. Specialization in reporting Retail operations.
Annette Durnack	Director Retail Energy	<a href="mailto:amdurnack@pplweb.com">amdurnack@pplweb.com</a>	610-774-3182	Over 25 years of industry experience. Manages the overall strategy and P&L of the Retail electric business.
Marc Davis	Program Manager	<a href="mailto:mbdavis@pplweb.com">mbdavis@pplweb.com</a>	610-774-2982	Over 12 years of industry experience. Manages marketing to Mass Market customers.

PPL EnergyPlus, LLC

**D-4 Exhibit D-4 “FERC Power Marketer License Number,”** provide a statement disclosing the applicant’s FERC Power Marketer License number. (Power Marketers only)

On December 17, 1998 PP&L EnergyPlus Company received a Federal Energy Regulatory Commission (FERC) Order Conditionally Accepting for Filing Proposed Market-Based Rates for Power Sales and Reassignment of Transmission Rights, Docket No. ER98-4608-000, attached.

Also attached is documentation putting into effect our business name change from PP&L EnergyPlus Company to PPL EnergyPlus, LLC and the FERC recognition and acceptance of same.

**85 FERC ¶ 61,372**

UNITED STATES OF AMERICA  
FEDERAL ENERGY REGULATORY COMMISSION

Before Commissioners: James J. Hoecker, Chairman;  
Vicky A. Bailey, William L. Massey,  
Linda Breathitt, and Curt Hébert, Jr.

PP&L EnergyPlus Company ) Docket No. ER98-4608-000

ORDER CONDITIONALLY ACCEPTING FOR FILING PROPOSED  
MARKET-BASED RATES FOR POWER SALES AND  
REASSIGNMENT OF TRANSMISSION RIGHTS

(Issued December 17, 1998)

In this order, we conditionally accept for filing, without suspension or hearing, the proposed tariff (Tariff) filed by PP&L EnergyPlus Co. (PP&L EnergyPlus) for sales of electric energy and capacity at market-based rates and for reassignment of transmission rights.

Background

PP&L EnergyPlus explains that it is a wholly-owned subsidiary of PP&L, Inc., 1/ which is a public utility and a member of the Pennsylvania-New Jersey-Maryland Interconnection, L.L.C. (PJM Interconnection).

In its September 22, 1998 filing, PP&L EnergyPlus requests that the Commission grant it: (a) authority to charge market-based rates for wholesale sales of energy and capacity; (b) authority to reassign transmission rights; (c) various authorizations and waivers similar to those granted to other power marketers; and (d) an effective date of October 1, 1998.

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- 1/ PP&L, Inc. owns and operates facilities for the generation, transmission, and distribution of electric energy and serves retail electric customers within its service territory in Pennsylvania. PP&L, Inc. is authorized to sell energy and capacity at market-based rates and to resell transmission rights to wholesale customers located inside and outside of the PJM Interconnection control area. See Pennsylvania Power & Light Co., 80 FERC ¶ 61,053 (1997); PP&L, Inc. Docket No. ER98-3453-000 (unpublished July 28, 1998 letter order).

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Notice of PP&L EnergyPlus' filing was published in the Federal Register, 63 Fed. Reg. 53,039 (1998), with comments, protests and interventions due on or before October 13, 1998. None were filed. On October 1, 1998, a deficiency letter was issued by the Director, Division of Rate Applications, Office of Electric Power Regulation, concerning PP&L EnergyPlus' code of conduct. On November 2, 1998, PP&L EnergyPlus submitted a revised code of conduct. Notice of the revised code of conduct was published in the Federal Register, 63 Fed. Reg. 64,691 (1998), with comments, protests, and interventions due on or before November 23, 1998. None were filed.

### Discussion

#### Market-Based Rates

The Commission allows power sales at market-based rates if the seller and its affiliates do not have, or have adequately mitigated, market power in generation and transmission and cannot erect other barriers to entry. In order for an affiliate of a transmission-owning public utility to demonstrate the absence or mitigation of market power, the public utility must have on file with the Commission an open access transmission tariff for the provision of comparable services. 2/ The Commission also considers whether there is evidence of affiliate abuse or reciprocal dealing. 3/

As we explain below, we find that PP&L EnergyPlus' market-based rate application, as modified, meets these standards. Accordingly, we will conditionally accept the proposed market-based rates for filing, to become effective on October 1, 1998, as requested, without suspension or hearing.

#### 1. Generation Market Power

In support of its market-based rate application, PP&L EnergyPlus explains that it does not own or control any electric

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- 2/ PJM Interconnection filed a joint pool-wide Open Access Transmission Tariff, which was accepted for filing in November 1997. See Pennsylvania-New Jersey-Maryland Interconnection, 81 FERC ¶ 61,257, clarified, 82 FERC ¶ 61,068 (1998), reh'g pending. (PJM Interconnection)
- 3/ E.g., Progress Power Marketing, Inc., 76 FERC ¶ 61,155 at 61,919 (1996), letter order approving settlement, 79 FERC ¶ 61,149 (1997); Northwest Power Marketing Company, L.L.C., 75 FERC ¶ 61,281 at 61,889 (1996); accord Heartland Energy Services, Inc., et al., 68 FERC ¶ 61,223 at 62,062-63 (1994) (Heartland).

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generation facilities. PP&L, Inc., however, does own generating facilities. The Commission has recently reviewed PP&L, Inc.'s generation market analysis and found no generation dominance. 4/ There have been no material changes in circumstances that would require a new analysis or warrant a different conclusion.

Accordingly, we find that PP&L EnergyPlus meets the Commission's generation market power standard for approval of market-based rates.

## 2. Transmission Market Power

There are no transmission market power concerns because PP&L EnergyPlus does not own or operate any transmission facilities and PP&L, Inc. (which previously had filed an open access transmission tariff 5/) has transferred control of its transmission facilities to the PJM Interconnection, 6/ an approved Independent System Operator. The PJM Interconnection's tariff is intended to offer pool-wide open access transmission service throughout and across the PJM Interconnection. 7/

Accordingly, we find that PP&L EnergyPlus meets the Commission's transmission market power standard for approval of market-based rates.

## 3. Other Barriers to Entry/Reciprocal Dealing

PP&L, Inc. owns a subsidiary company, Interstate Energy Company (IEC), that owns and operates an intrastate natural gas system. In addition, PP&L Resources, Inc. (PP&L Resources) the parent company of PP&L, Inc., recently completed its acquisition of Penn Fuel Gas, Inc. (PFG), which distributes and stores natural gas. 8/

As we previously advised PP&L, Inc., should PP&L, Inc. or any of its affiliates deny, delay, or require unreasonable terms, conditions, or rates for natural gas service to a potential electric competitor in bulk power markets, then that electric

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4/ Pennsylvania Power & Light Co., 80 FERC ¶ 61,053 at 61,159 (1997).

5/ Id.

6/ See PJM Interconnection, 81 FERC at 62,236.

7/ Id. at 62,239-40.

8/ PP&L, Inc. informed the Commission of this acquisition in a Notification of Change in Status filed on September 16, 1998.

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competitor may file a complaint with the Commission that could result in the suspension of PP&L EnergyPlus' authority to sell energy and capacity at market-based rates. <sup>9/</sup>

With this safeguard, we are satisfied with PP&L EnergyPlus' explanation that there are no other barriers to entry or reciprocal dealing considerations of concern here.

#### 4. Affiliate Abuse

PP&L EnergyPlus commits, in its power sales tariff, that it will not sell power to, or purchase power from, any affiliated franchised public utility unless the Commission first approves such a transaction pursuant to a separate rate filing under section 205 of the Federal Power Act (FPA). <sup>10/</sup>

In addition, PP&L EnergyPlus has submitted a code of conduct governing its affiliate transactions which, with one exception, satisfies the Commission's affiliate abuse requirements for market-based rate authorization, including those concerning the separation of business activities and operating personnel, and the pricing of affiliate sales or purchases of non-power goods and services.

PP&L EnergyPlus' code of conduct fails to meet the Commission's affiliate abuse standards in one respect. PP&L EnergyPlus' code of conduct governing its relationship with its affiliates prohibits it from sharing market information with any affiliate unless such information is simultaneously made publicly available. However, it further provides that "[t]his prohibition shall not apply to market information known to be publicly available or that is derived from publicly-available sources." <sup>11/</sup> Consistent with our precedent, we will require the code of conduct to be revised to provide for the simultaneous disclosure of all shared market information. <sup>12/</sup> The difficulties inherent in implementing and enforcing a standard that allows the sharing of already publicly available

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<sup>9/</sup> See Louisville Gas and Electric Co., 62 FERC ¶ 61,016 at 61,148 (1993).

<sup>10/</sup> 16 U.S.C. § 824d (1994).

<sup>11/</sup> PP&L EnergyPlus November 2, 1998 amendment to September 22, 1998 Market-Based Rate Application, Exhibit 1 (Code of Conduct) at 1.

<sup>12/</sup> Cambridge Electric Light Company, et al., 85 FERC ¶ 61,217 (1998); Utilicorp United, Inc., et al., 75 FERC ¶ 61,168 at 61,557, reh'g denied, 76 FERC ¶ 61,192 (1996).

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information do not warrant allowing an exception for such information. 13/

With these safeguards, we are satisfied with PP&L EnergyPlus' explanation that there are no affiliate abuse considerations of concern here. 14/

#### 5. Proposed Reassignment of Transmission Rights

Consistent with the requirements of Order No. 888, 15/ PP&L EnergyPlus proposes to reassign transmission rights at a price not to exceed the highest of: (1) the original transmission rate paid by PP&L EnergyPlus, (2) the applicable transmission provider's maximum transmission rate on file at the time of sale, or (3) PP&L EnergyPlus' opportunity costs, capped at the applicable transmission provider's cost of expansion at the time of the sale. PP&L EnergyPlus commits that it will not implement the third pricing option (opportunity costs) without making a separate filing under section 205 of the FPA. Based on these commitments, we find that PP&L EnergyPlus' proposal meets the Commission's requirements regarding the reassignment of transmission capacity.

#### Waivers and Authorizations

PP&L EnergyPlus requests the following waivers and authorizations: (a) waiver of the requirements of 18 C.F.R. Parts 41, 101 and 141; (b) permission to file an abbreviated statement on interlocking directorates under 18 C.F.R. Part 45; (c) waiver of the reporting requirements of 18 C.F.R. Part 35,

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13/ We have never suggested in prior cases that anything less than this level of disclosure is acceptable. See id. However, we will not require companies with codes of conduct that are insufficient on this point to make a special filing solely to revise them. Companies making filings in the future should ensure that they comply with the standard reaffirmed in this order.

14/ PP&L EnergyPlus' brokering provisions satisfy the Commission's requirements.

15/ Promoting Wholesale Competition Through Open Access Non-discriminatory Transmission Services by Public Utilities; Recovery of Stranded Costs by Public Utilities and Transmitting Utilities, Order No. 888, 61 Fed. Reg. 21,540 (1996), FERC Stats. & Regs. ¶ 31,036 (1996), order on reh'g, Order No. 888-A, 62 Fed. Reg. 12,274 (1997), FERC Stats. & Regs. ¶ 31,048 (1997), order on reh'g, Order No. 888-B, 81 FERC ¶ 61,248 (1997), order on reh'g, Order No. 888-C, 82 FERC ¶ 61,046 (1998).

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Subparts B and C (except for sections 35.12(a), 35.13(b), 35.15 and 35.16); and (d) blanket authorization under section 204 of the FPA and 18 C.F.R. Part 34 for any future securities issuances or assumptions of liabilities by PP&L EnergyPlus. We will grant the requested waivers and authorizations to the extent granted to other power marketers.

Consistent with previous Commission decisions, we will require PP&L EnergyPlus to file quarterly reports detailing the purchase and sale transactions undertaken in the prior quarter. This requirement is necessary to ensure that contracts relating to rates and services are on file as required by section 205 of the FPA, and to allow the Commission to evaluate the reasonableness of the charges and to provide for ongoing monitoring of the marketer's ability to exercise market power. 16/

In addition, we will direct PP&L EnergyPlus to inform the Commission promptly of any change in status that would reflect a departure from the characteristics the Commission has relied upon in approving market-based pricing. These include, but are not limited to: (1) ownership of generating or transmission facilities or inputs to electric power production other than fuel supplies; or (2) affiliation with any entity not disclosed in the filing that owns generation or transmission facilities or inputs to electric power production, or affiliation with any entity that has a franchised service area. 17/ Alternatively, PP&L EnergyPlus may elect to report such changes with the updated market analysis it will be required to file every three years. 18/

Finally, we will grant waiver of the 60-day prior notice and filing requirement to allow PP&L EnergyPlus' rates to become effective on October 1, 1998. 19/

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16/ See, e.g., Heartland, 68 FERC at 62,065-66.

17/ See, e.g., Morgan Stanley Capital Group, Inc., 69 FERC ¶ 61,175 at 61,695 (1994), order on reh'g, 72 FERC ¶ 61,082 (1995); InterCoast Power Marketing Company, 68 FERC ¶ 61,248 at 62,134, clarified, 68 FERC ¶ 61,324 (1994).

18/ We reserve the right to require such an analysis at any time.

19/ See Central Hudson Gas & Electric Corporation, 60 FERC ¶ 61,106, order on reh'g, 61 FERC ¶ 61,089 (1992).

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The Commission orders:

(A) PP&L EnergyPlus is hereby directed to file, within 15 days of the date of this order, a revised code of conduct reflecting the discussion in the body of this order.

(B) PP&L EnergyPlus' market-based power sales tariff is hereby conditionally accepted for filing, without suspension or hearing, to become effective on October 1, 1998, on the condition that PP&L EnergyPlus make the compliance filing directed in Ordering Paragraph (A) above.

(C) PP&L EnergyPlus's request for waiver of Parts 41, 101, and 141 of the Commission's regulations is hereby granted.

(D) Within 30 days of the date of this order, any person desiring to be heard or to protest the Commission's blanket approval of issuances of securities or assumptions of liabilities by PP&L EnergyPlus should file a motion to intervene or protest with the Federal Energy Regulatory Commission, 888 First Street, N.E., Washington, D.C. 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § § 385.211 and 385.214.

(E) Absent a request to be heard within the period set forth in Ordering Paragraph (D) above, PP&L EnergyPlus is hereby authorized to issue securities and assume obligations or liabilities as guarantor, indorser, surety, or otherwise in respect of any security of another person; provided that such issue or assumption is for some lawful object within the corporate purposes of PP&L EnergyPlus, compatible with the public interest, and reasonably necessary or appropriate for such purposes.

(F) Until further order of this Commission, the full requirements of Part 45 of the Commission's regulations, except as noted below, are hereby waived with respect to any person now holding or who may hold an otherwise proscribed interlocking directorate involving PP&L EnergyPlus. Any such person instead shall file a sworn application providing the following information:

- (1) full name and business address; and
- (2) all jurisdictional interlocks, identifying the affected companies and the positions held by that person.

(G) The Commission reserves the right to modify this order to require a further showing that neither public nor private interests will be adversely affected by continued Commission approval of PP&L EnergyPlus' issuances of securities or

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assumptions of liabilities, or by the continued holding of any affected interlocks.

(H) PP&L EnergyPlus' request for waiver of the provisions of Subparts B and C of Part 35 of the Commission's regulations, with the exception of sections 35.12(a), 35.13(b), 35.15, and 35.16, is hereby granted.

(I) PP&L EnergyPlus is hereby directed to conform to the filing and reporting requirements specified in this order. The first quarterly report of transactions undertaken by PP&L EnergyPlus under its market-based power sales tariff will be due within 30 days of the calendar quarter ending December 31, 1998.

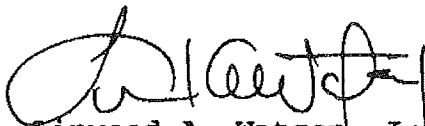
(J) PP&L EnergyPlus is hereby directed to file an updated market analysis within three years of the date of this order, and every three years thereafter.

(K) PP&L EnergyPlus is hereby directed to inform the Commission promptly of any change in status that would reflect a departure from the characteristics the Commission has relied upon in approving market-based pricing. Alternatively, as discussed in the body of this order, PP&L EnergyPlus may elect to report any such changes every three years with the updated market analysis filed pursuant to Ordering Paragraph (J) above. PP&L EnergyPlus shall notify the Commission of which option it elects in the first quarterly report filed pursuant to Ordering Paragraph (I) above.

(L) PP&L EnergyPlus is hereby informed of the following rate schedule designations: PP&L EnergyPlus Company, Rate Schedule FERC No. 1 (Market-Based Rates and Transmission Reassignment) and Supplement No. 1 to Rate Schedule FERC No. 1 (Code of Conduct).

By the Commission.

( S E A L )

  
Linwood A. Watson, Jr.,  
Acting Secretary.

FILED  
OFFICE OF THE SECRETARY

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UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION

FEDERAL ENERGY  
REGULATORY COMMISSION

PPL EnergyPlus, LLC, formerly  
known as PP&L EnergyPlus Co., LLC

)  
)  
) Docket No. ER00-\_\_\_\_-000

NOTICE OF CHANGE IN CORPORATE NAME

PPL EnergyPlus, LLC hereby makes this informational filing to notify the Federal Energy Regulatory Commission ("Commission") of a change in its corporate name from PP&L EnergyPlus Co., LLC to PPL EnergyPlus, LLC ("PPL EnergyPlus"), effective February 14, 2000.

I. Rate Schedules

PPL EnergyPlus hereby adopts, ratifies, and makes its own, in every respect, the following applicable rate schedules, and supplements thereto, heretofore filed with the Commission by PP&L EnergyPlus Co., LLC: FERC Electric Rate Schedule No. 1 (Market-Based Rate Tariff).

II. Pending Dockets

PPL EnergyPlus hereby adopts, ratifies, and makes its own, in every respect, all pleadings and other documents filed by PP&L EnergyPlus Co., LLC



in the following pending dockets: EC00-32-000; ER98-4808-000; ER00-980-000;  
ER00-982-000; RM99-2-2000.

Dated: February 25, 2000

Respectfully submitted,

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By: Leanne M. Bober  
Attorneys for  
PPL EnergyPlus, LLC

**UNITED STATES OF AMERICA  
BEFORE THE  
FEDERAL ENERGY REGULATORY COMMISSION**

\_\_\_\_\_  
PPL EnergyPlus, LLC, formerly  
known as PP&L EnergyPlus Co., LLC  
\_\_\_\_\_

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) Docket No. ER00-\_\_\_\_-000  
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**NOTICE OF FILING  
(Issued \_\_\_\_\_, 2000)**

Take notice that on February 25, 2000, PPL EnergyPlus, LLC filed a Notice of Change in Corporate Name to notify the Federal Energy Regulatory Commission that the corporate name of PP&L EnergyPlus Co., LLC has been changed to PPL EnergyPlus, LLC, effective February 14, 2000.

Any person desiring to be heard or to protest said filing should file a motion to intervene or protest with the Secretary, Federal Energy Regulatory Commission, 888 First Street NE, Washington, DC, 20426, in accordance with Rules 211 and 214 of the Commission's Rules of Practice and Procedure, 18 CFR §§ 385.211 and 385.214. All such motions or protests should be filed on or before \_\_\_\_\_. Protests will be considered by the Commission in determining the appropriate action to be taken, but will not serve to make protestants parties to the proceeding. Any person wishing to become a party must file a motion to intervene. Copies of this filing are on file with the Commission and are available for public inspection.

David P. Boergers  
Secretary

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

**4/12/2013 12:47:18 PM**

**in**

**Case No(s). 13-0894-EL-CRS**

Summary: Application Certification Application for Retail Generation Providers and Power Marketers electronically filed by Mr. Andrew J Sonderman on behalf of PPL EnergyPlus, LLC