July 29, 2011

Securities and Exchange Commission
100 F Street NE
Washington, DC 20549-1090

RE: File No. 4-600 *Commission Statement in Support of Convergence and Global Accounting Standards*

PPL Corporation (PPL) appreciates the opportunity to comment on the Work Plan for the Consideration of Incorporating International Financial Reporting Standards into the Financial Reporting System for U.S. Issuers – Exploring a Possible Method of Incorporation.

PPL Corporation, headquartered in Allentown, Pa., owns or controls 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 acknowledges that several approaches to incorporate IFRS into the financial reporting system for U.S. issuers were previously discussed and described in detail by the Commission, including: (1) full adoption of IFRS on a specified date without any endorsement mechanism ("big-bang"), (2) full adoption following a transition period, and (3) an option for US issuers to apply IFRS. While each of these approaches has its merits, PPL supports the goal of attaining high quality global standards through the approach addressed by the Commission within its most recent paper that combines elements of convergence and endorsement, also referred to as "condorsement". PPL concurs with the points raised in the letter submitted by the Edison Electric Institute and is submitting this letter to emphasize a few key points.

PPL believes that the condorsement approach provides a more flexible overall transition strategy. Under the framework discussed within the Staff paper, the Financial Accounting Standards Board (FASB) would be retained as the U.S. standard setter and IFRS would be incorporated into U.S. GAAP during a transition period of, for example, five to seven years. We believe that ultimately the gradual transition by companies to IFRS, through incorporation into U.S. GAAP, with an adequate transition period, will be more successful as it will allow adequate time for companies to appropriately modify its systems and processes and train its staff on the new requirements. We think a timeframe of five to seven years is reasonable.

Proposed role of the FASB and the SEC

PPL supports the proposed role of the FASB and the SEC as outlined in the Staff paper. We believe that the proposed approach in the Staff paper provides a sufficient and robust process for the FASB to provide accounting standards and interpretations consistent with IFRSs, while taking into account characteristics that are unique to the economic environment in which U.S. companies operate. We believe it is absolutely necessary for the FASB to retain authority to modify, supplement or interpret IFRSs to meet the specific needs of the U.S. system. With this discretion, the FASB would be able to consider specific industry needs, like the regulated electricity industry. Our primary financial statement users include state and federal regulators, our third party debt ratings agencies and our investors. Currently, certain of PPL's businesses have their revenues established through cost based rate regulation. Through application of ASC 980 (Regulated Operations), PPL's financial statements for these entities reflect the underlying economics of utilities subject to price regulation in the US. Under current IFRS, no such standard exists and we understand that entities in certain countries have applied existing IFRS in a manner where regulatory assets and liabilities are not recognized in the financial statements. This approach would result in significant write-offs of regulatory assets and liabilities currently recorded on our financial statements as well as increase volatility in the income statement going forward. Because these statements would not reflect the underlying economics of our cost based rate regulated businesses, we believe our investors and ratings agencies would require adjustments to our GAAP financials to reflect the economic effects of rate regulation in their assessment of the actual financial results and other metrics of these businesses. This clearly would be perceived as a shortcoming in GAAP.

PPL agrees that the U.S. should play an active role in international standard setting, proactively identifying financial reporting issues and ensuring that U.S. interests are addressed. PPL believes that this objective can be accomplished by the FASB participating in the development of IFRSs. PPL also believes that the FASB needs to retain the authority to modify or add to the requirements of IFRSs, as discussed within the Staff paper.

Transition

The Staff paper proposes a three-step transition during which the content of U.S. GAAP would be replaced with the content of IFRSs. The third step would be an ongoing endorsement process for incorporating IFRSs to be issued in the future, which are not currently subjects of the IASB's standard setting process, into U.S. GAAP. The manner in which IFRSs would be incorporated into U.S. GAAP (i.e. with or without modifications or additions) would be determined by the SEC as part of their statutory responsibilities to protect U.S. investors and maintain fair, orderly, and efficient capital markets while facilitating capital formation in the U.S. We believe that this is a logical and measured approach to transition. Depending upon the timeline that may be ultimately determined, however, we would recommend that a decision regarding the continuation of guidance that is not currently present in IFRS (for example ASC 908

(Airlines) or ASC 980 (Regulated Operations) as referenced in the Staff paper) be made earlier in the process. We recommend that this accounting be "endorsed" by the FASB in connection with either the condorsement approach included in the Staff paper or another approach in transitioning to IFRS.

We believe that the staggered or phased-in transition approach proposed (versus a "big-bang" approach) would significantly reduce both the costs and difficulties that will be encountered in an incorporation of IFRSs into the U.S. system, regardless of the method of incorporation selected. It would allow financial statement preparers and users more time to prepare for, and make the necessary changes to, their current systems and processes. Spreading the adoption of new standards over time will reduce the need to add additional staff and/or employ outside resources as would otherwise be the case to implement the changes inherent in a large-scale conversion.

Prospective Adoption

The Staff Paper indicates that prospective adoption methods would be allowed, whenever reasonably possible, for the adoption of new accounting standards during the process of incorporating IFRSs into the U.S. system. Regardless of the method of incorporation that is ultimately selected, we believe that allowing prospective application would significantly reduce both the costs and difficulties that will be encountered in an incorporation of IFRSs into the U.S. system. Prospective adoption methods would reduce the need to generate accounting information for prior periods in a manner that existing systems may not have been designed to accommodate. As noted in the Staff paper, retrospectively applying the componentization of fixed assets required by IAS 16 could require U.S. issuers to expend significant efforts to analyze significant numbers of recorded assets and the detailed information needed to comply simply may not be available. Perhaps most importantly, prospective adoption methods will reduce successive restatements of prior period statements for the adoption of new accounting standards, which we believe would confuse financial statement users. Prospective application would also eliminate any questions about which periods must be restated for the information presented within "Selected Financial Data."

Conclusion

We appreciate the Commission's objectives to have truly global and high quality accounting standards and concur that the incorporation of IFRS by all countries into their local body of standards should produce a number of long term benefits including greater comparability of companies for global investors, lower costs of capital and a more efficient allocation of that capital

We are pleased that the SEC has identified the condorsement approach, where the FASB would remain the official U.S. standard setter, as a possible approach to incorporating IFRS into the U.S. accounting system. To best serve the public interest and protect investors, it is critical that the FASB have the authority to modify or supplement IFRS for the U.S. market. We anxiously anticipate an announcement in the near future from the SEC fully supporting the condorsement approach.

We would like to thank the Commission for the opportunity to share our views on this significant accounting issue and would welcome further discussions with the Commission to ensure that our perspectives are fully understood.

Very truly yours,

Vincent Sorgi

Vincent Sorgi
Vice President & Controller

cc: Mr. P. A. Farr
Mr. J. E. Abel
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