PP&L TRANSITION BOND CO INC

FORM 10-Q
(Quarterly Report)

Filed 8/11/2004 For Period Ending 6/30/2004

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

THE REGISTRANT MEETS THE CONDITIONS SET FORTH IN
GENERAL INSTRUCTIONS H(1) (a) AND (b) OF FORM 10-Q AND
IS THEREFORE FILING THIS FORM WITH THE REDUCED DISCLOSURE FORMAT

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended June 30, 2004

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission File Number	Registrant; State of Incorporation; Address; and Telephone No.	IRS Employer Identification No.
333-75369	**PPL Transition Bond Company, LLC** (Delaware) Two North Ninth Street, GENGA2E Allentown, PA 18101-1179 (610) 774-7934	23-3004428

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
YES [X] NO [ ]

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Act).
YES [ ] NO [X]

This document is available free of charge at the Investor Center on PPL Corporation's website at www.pplweb.com. However, information on this website does not constitute a part of this Form 10-Q.

PPL TRANSITION BOND COMPANY, LLC

FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2004

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PART 1. FINANCIAL INFORMATION
Item 1. Financial Statements

CONDENSED STATEMENT OF OPERATIONS AND CHANGES IN MEMBER'S EQUITY
PPL Transition Bond Company, LLC
(Unaudited)
(Thousands of Dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2004	**2003**	**2004**	**2003**

Revenue				
Intangible transition charge revenue	**$ 80,710**	$ 83,343	**$ 177,350**	$ 183,882
Interest income	**33**	38	**65**	79
Total revenue	**80,743**	83,381	**177,415**	183,961
Expenses				
Amortization of intangible transition property	**56,201**	54,326	**127,054**	124,647
Interest expense	**24,086**	28,546	**49,418**	58,274
Administrative and general expenses	**130**	135	**258**	257
Administrative and general expenses with affiliate	**337**	337	**675**	675
Total expenses	**80,754**	83,344	**177,405**	183,853
Operating Income (Loss)	**(11)**	37	**10**	108
Income tax expense (benefit)	**(5)**	15	**4**	45
Net Income (Loss)	**$ (6)**	$ 22	**$ 6**	$ 63
Member's equity - beginning of period	**$ 12,357**	$ 12,525	**$ 12,445**	$ 12,484
Net Income (Loss)	**(6)**	22	**6**	63
Distribution to Member			**(100)**	
Member's equity - end of period	**$ 12,351**	$ 12,547	**$ 12,351**	$ 12,547

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

CONDENSED STATEMENT OF CASH FLOWS
PPL Transition Bond Company, LLC

(Unaudited)
(Thousands of Dollars)

	Six Months Ended June 30,	
	2004	**2003**
Cash Flows From Operating Activities		
Net Income	**$ 6**	$ 63
Adjustments to reconcile net income to net cash provided by operating activities:		
Amortization of intangible transition property	**127,054**	124,647
Amortization of debt issuance expenses	**844**	1,019
Amortization of debt discount	**15**	18
Changes in current assets and liabilities:		
Intangible transition charges receivable from Servicer	**5,267**	35,411

Other	**(203)**	(4)
Other operating activities - net:		
Other assets	**352**	381
Other liabilities	**654**	654
Net cash provided by operating activities	**133,989**	162,189
Cash Flows From Investing Activities		
Change in restricted funds	**6,457**	(25,835)
Net cash provided by (used in) investing activities	**6,457**	(25,835)
Cash Flows From Financing Activities		
Payment of principal on bonds	**(140,416)**	(136,314)
Distribution to Member	**(100)**	
Net cash used in financing activities	**(140,516)**	(136,314)
Net Increase (Decrease) in Cash and Cash Equivalents	**(70)**	40
Cash and Cash Equivalents at Beginning of Period	**351**	368
Cash and Cash Equivalents at End of Period	**$ 281**	$ 408

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

CONDENSED BALANCE SHEET
PPL Transition Bond Company, LLC
(Unaudited)
(Thousands of Dollars)

	June 30, 2004	**December 31, 2003**
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 281**	$ 351
Intangible transition charges receivable from Servicer	**63,173**	68,440
Other	**2**	14
Current assets	**63,456**	68,805
Noncurrent Assets		
Intangible transition property, net	**1,216,313**	1,343,719
Unamortized debt issuance expenses	**3,737**	4,581
Restricted funds	**22,619**	29,076

Noncurrent assets	**1,242,669**	1,377,376
Total Assets	**$ 1,306,125**	$ 1,446,181
LIABILITIES AND MEMBER'S EQUITY		
Current Liabilities		
Long-term debt	**$ 264,954**	$ 263,903
Interest accrued	**1,505**	1,665
Other	**1,547**	1,602
Current liabilities	**268,006**	267,170
Noncurrent Liabilities		
Long-term debt, net of discount	**1,016,939**	1,158,391
Other	**8,829**	8,175
Noncurrent liabilities	**1,025,768**	1,166,566
Commitments and Contingent Liabilities		
Member's Equity	**12,351**	12,445
Total Liabilities and Member's Equity	**$ 1,306,125**	$ 1,446,181

The accompanying Notes to Condensed Financial Statements are an integral part of the financial statements.

PPL Transition Bond Company, LLC

Notes to Condensed Financial Statements

Terms and abbreviations appearing in Notes to Condensed Financial Statements are explained in the glossary.

1. **Interim Financial Statements**

Certain information in footnote disclosures, normally included in financial statements prepared in accordance with accounting standards generally accepted in the U.S., has been condensed or omitted in this Form 10-Q pursuant to the rules and regulations of the SEC. These condensed financial statements should be read in conjunction with the financial statements and notes included in PPL Transition Bond Company, LLC's Annual Report to the SEC on Form 10-K for the year ended December 31, 2003.

Certain amounts in the June 30, 2003, financial statements have been reclassified to conform to the presentation in the June 30, 2004, financial statements.

2. Nature of Operations

The condensed financial statements include the accounts of PPL Transition Bond Company, LLC (Company). The Company is a limited liability company established under the laws of the State of Delaware, and was formed on March 25, 1999, pursuant to the filing of a certificate of formation with the Delaware Secretary of State and a limited liability company agreement. PPL Electric Utilities is the sole member of the Company.

The Company was organized for the sole purpose of purchasing and owning ITP, issuing transition bonds (or Bonds), pledging its interest in ITP and other collateral to the Trustee under an Indenture between the Company and the Trustee to collateralize the Bonds, and performing activities that are necessary to accomplish these purposes. ITP represents the irrevocable right of PPL Electric Utilities, or its successor or assignee, to collect a non-bypassable ITC from customers pursuant to the PUC Restructuring Order in accordance with the Competition Act. The PUC Restructuring Order authorized the ITC to be sufficient to recover up to $2.85 billion aggregate principal amount of Bonds, plus an amount sufficient to provide for any credit enhancement, to fund any reserves and to pay interest, redemption premiums, servicing fees and other expenses relating to the Bonds.

The Company's organizational documents require it to operate in a manner so that its assets would not be consolidated with the bankruptcy estate of PPL Electric Utilities in the event PPL Electric Utilities becomes subject to a bankruptcy proceeding. Both PPL Electric Utilities and the Company have treated the transfer of the ITP to the Company as a sale under applicable law. The Bonds are treated as debt obligations of the Company. The assets of the Company are not available to creditors of PPL Electric Utilities or PPL, and the ITP is legally not an asset of PPL Electric Utilities or PPL. The Company is expected to terminate its existence after final maturity of the Bonds.

The Company issued $2.42 billion of Bonds in eight different classes on August 10, 1999. See Note 4 for additional information.

3. Summary of Significant Accounting Policies

Management's Estimates

The preparation of condensed financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions will affect the reported amount of revenues, expenses, assets and liabilities, and the disclosure of contingencies. Actual results could differ from these estimates.

Cash and Cash Equivalents

The Company considers all liquid debt instruments purchased with a maturity of three months or less to be cash equivalents. "Cash and Cash Equivalents" do not include "Restricted Funds."

Restricted Funds

Under the Indenture, the Company deposited an amount equal to 0.5% of the initial principal amount of the Series 1999-1 Bonds into the Capital Subaccount with the Trustee. This amount was contributed by PPL Electric Utilities to the Company. This account is the last account drawn in the event funds are insufficient to make scheduled allocations. If the Capital Subaccount is used, it will be replenished from ITC remittances to its original level through the periodic reconciliation process. The Indenture also provides for an Overcollateralization Subaccount. The funding level of this account is 0.5% of the initial principal amount of the Series 1999-1 Bonds, funded ratably over the life of the Bonds. Any excess amounts of ITC collections, which are initially deposited in the General Subaccount, and investment earnings not released to the Company are deposited into a Reserve Subaccount. All of the subaccounts are classified as "Restricted Funds" on the Balance Sheet.

Amortization of Intangible Transition Property

The ITP was recorded at the acquired cost and is being amortized over the life of the Bonds, based on ITC revenues, interest accruals and other fees. The ITP is solely the property of the Company. The amortization of intangible transition property and interest expense on the transition bonds offset ITC revenues, resulting in minimal impact on earnings.

Amortization of Debt Issuance Costs and Discount on Debt

The costs associated with the issuance of the Bonds have been capitalized and are being amortized over the life of the Bonds, utilizing the effective interest method.

Income Taxes

The Company is a limited liability company and has elected to be disregarded as a separate entity for federal and state income tax purposes. The Company's taxable income or loss is included in the consolidated federal and state income tax returns of its Member. The

Condensed Statement of Operations and Changes in Member's Equity reflects the Company's pro rata allocation of its Member's consolidated income taxes in accordance with its Member's tax sharing policy.

4. **Long-Term Debt and Source of Repayment**

In August 1999, the Company issued $2.42 billion of Series 1999-1 Bonds. The Bonds consist of eight classes. The Company used the proceeds from the Bonds to purchase ITP from CEP Securities. PPL Electric Utilities arranged for the formation of CEP Securities to provide flexibility to issue multiple tranches of transition bonds at different dates. The Bonds are collateralized by the ITP and the amounts in the subaccounts maintained by the Trustee under the Indenture (as described below).

Scheduled maturities and interest rates for the Bonds at June 30, 2004, are:

Class	Bond Rate	Amount	Expected Final Payment Date	Final Maturity Date
		($ Thousands)		
A-1	6.08%	$ 0	March 25, 2001	March 25, 2003
A-2	6.41%	0	December 26, 2001	December 26, 2003
A-3	6.60%	0	March 25, 2003	March 25, 2005
A-4	6.72%	0	December 26, 2003	December 26, 2005
A-5	6.83%	149,924	March 25, 2005	March 25, 2007
A-6	6.96%	223,000	December 26, 2005	December 26, 2007
A-7	7.05%	455,000	June 25, 2007	June 25, 2009
A-8	7.15%	454,000	December 26, 2008	June 25, 2009
		$ 1,281,924		
Current Maturities		(264,954)		
Unamort. Discount		(31)		
Long-term Debt		$ 1,016,939		

The fair market value of the transition bonds was approximately $1.4 billion at June 30, 2004. The estimated fair value of the bonds is based on a yield curve for similarly rated securities, with the cash flows discounted back to present value. The current maturities stated above are based on the expected final payment dates rather than the final maturity date.

The source of repayment for the Bonds is the ITC. The Servicer collects this non-bypassable charge from retail consumers of electricity within PPL Electric Utilities' service area. The Servicer deposits ITC monthly collections into a General Subaccount maintained by the Trustee under the Indenture. The monthly ITC collections from the billing periods of December 2003 through May 2004 were $183 million in aggregate. Each quarter, such monies are used to make principal and interest payments on the Bonds, and to pay fees, costs and charges specified in the Indenture. The Trustee made scheduled payments on March 25 and June 25, 2004. The Indenture also includes a Reserve Subaccount that is maintained for the purpose of retaining any excess amount of ITC collections and investment earnings not released to the Company. On March 25 and June 25, 2004, the Trustee withdrew $2 million and $5 million from the Reserve Subaccount to make the scheduled principal payments of $72 million and $69 million. The Indenture also provides for an Overcollateralization Subaccount. The funding level of this account is 0.5% of the initial principal amount of the Series 1999-1 Bonds, funded ratably over the life of the Bonds. To meet the required Overcollateralization Subaccount level of $6.2 million, $314,000 was deposited on March 25, 2004, and $317,000 was deposited on June 25, 2004. Additionally, an amount equal to 0.5% of the initial principal amount of the Bonds was deposited into the Capital Subaccount under the Indenture on the date of issuance. If amounts available in the General, Reserve and Overcollateralization Subaccounts are not sufficient on any payment date to make scheduled payments, the Trustee will draw on amounts in the Capital Subaccount in excess of $100,000. Any remaining amounts collateralizing the Bonds will be released to the Company upon final payment on the Bonds.

At June 30, 2004, the following balances were reflected in the Subaccounts maintained by the Trustee:

Subaccounts	Balance ($ Thousands)
General	
Reserve	$ 4,258
Overcollateralization	6,229
Capital	12,132

Total	$ 22,619

5. **Significant Agreements and Related Party Transactions**

Under the Servicing Agreement, PPL Electric Utilities, as Servicer, is required to manage and administer the ITP of the Company and to collect the ITC on behalf of the Company. The Company pays an annual servicing fee of $1.25 million to PPL Electric Utilities, and other administrative fees of $100,000. For the six months ended June 30, 2004, the Company expensed servicing fees of approximately $625,000 and other administrative fees of $50,000. The Company expensed similar amounts in the six months ended June 30, 2003.

At June 30, 2004, the Balance Sheet includes a receivable from PPL Electric Utilities of approximately $63 million for billed and unbilled ITC revenues.

In January 2004, the Company paid a dividend of $100,000 to PPL Electric Utilities from earnings on the Capital Subaccount.

PPL Transition Bond Company, LLC

Item 2.Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Information

Statements contained in this Form 10-Q concerning expectations, beliefs, plans, objectives, goals, strategies, future events or performance and underlying assumptions and other statements which are other than statements of historical facts are "forward-looking statements" within the meaning of the federal securities laws. Although PPL Electric Utilities and the Company believe that the expectations and assumptions reflected in these statements are reasonable, there can be no assurance that these expectations will prove to have been correct. These forward-looking statements involve a number of risks and uncertainties, and actual results may differ materially from the results discussed in the forward-looking statements. Any such forward-looking statements should be considered in conjunction with other documents of PPL Electric Utilities and the Company on file with the SEC.

New factors that could cause actual results to differ materially from those described in forward-looking statements emerge from time to time, and it is not possible for PPL Electric Utilities or the Company to predict all of such factors, or the extent to which any such factor or combination of factors may cause actual results to differ from those contained in any forward-looking statement. Any forward-looking statement speaks only as of the date on which such statement is made, and neither PPL Electric Utilities nor the Company undertakes any obligation to update the information contained in such statement to reflect subsequent developments or information.

Background

The Company is a Delaware limited liability company organized in March 1999 for the sole purpose of purchasing and owning ITP, issuing transition bonds, pledging its interest in ITP and other collateral to the Trustee under an Indenture between the Company and the Trustee to collateralize the Bonds, and performing activities that are necessary to accomplish these purposes. The Company is wholly-owned by PPL Electric Utilities. The Company's organizational documents require it to operate in a manner so that its assets would not be consolidated with the bankruptcy estate of PPL Electric Utilities in the event PPL Electric Utilities becomes subject to a bankruptcy proceeding.

The following analysis of the financial condition and results of operations of the Company is in an abbreviated format pursuant to Instructions H(1)(a) and (b) of Form 10-Q. Such analysis should be read in conjunction with the Financial Statements and Notes to Condensed Financial Statements included in Item 1 above, and with the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's Annual Report to the SEC on Form 10-K for the year ended December 31, 2003.

Results of Operations

Revenues

Revenues generated from the ITP for the six months ended June 30, 2004 and 2003, were approximately $177 million and $184 million. The decrease in ITC revenues was due to lower ITC rates, offset by an increase in electricity delivery sales by PPL Electric Utilities.

During the six months ended June 30, 2004 and 2003, the Company earned approximately $65,000 and $79,000 in interest from the Capital Subaccount maintained by the Trustee and from temporary investments. The decrease in interest income in 2004 reflects a lower rate of return on investments in the Capital Subaccount.

Expenses

Amortization of the ITP (which is based on ITC revenues, interest accruals and other fees) was approximately $127 million and $125 million for the six months ended June 30, 2004 and 2003. The increase in amortization expense reflects the decrease in interest expense, partially offset by the decrease in ITP revenues, as noted above.

During the six months ended June 30, 2004 and 2003, the Company incurred interest expense of approximately $49 million and $58 million. Interest expense includes interest on the Bonds and amortization of debt issuance expenses and discounts on the Bonds. The decrease in interest expense was the result of the scheduled repayments on the Bonds.

For the six months ended June 30, 2004 and 2003, the Company also incurred administrative and general expenses of approximately $933,000 and $932,000, including servicing fees of approximately $625,000 and other administrative fees of $50,000 in each period.

ITC Remittances and Debt Servicing

The principal amount of the Bonds, interest, fees and funding of the Overcollateralization Subaccount are being recovered through the ITC payable by retail consumers of electricity within PPL Electric Utilities' service territory who receive its electric delivery service. As part of PPL Electric Utilities' responsibility as Servicer under the Servicing Agreement, PPL Electric Utilities remitted to the Trustee approximately $183 million of ITC collections for the billing periods of December 2003 to May 2004.

All scheduled quarterly Bond principal payments, interest payments and all related expenses were made on March 25 and June 25, 2004. On March 25 and June 25, 2004, scheduled principal payments of $72 million and $69 million were made on the Class A-5 bonds.

The Servicing Agreement also requires PPL Electric Utilities, as Servicer, to file adjustment requests on each calculation date, and the Competition Act and the PUC Restructuring Order require the PUC to act upon these requests within specified time periods. These adjustment requests are based on actual ITC collections and updated assumptions by the Servicer as to projected future usage of electricity by customers, expected delinquencies and write-offs, and future payments and expenses relating to the ITP and the Bonds. The Servicer filed such an adjustment request on December 10, 2003, with the PUC. The request was approved and revised rates became effective on January 1, 2004.

In January 2004, the Company paid a dividend of $100,000 to PPL Electric Utilities from earnings on the Capital Subaccount.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

(a) Evaluation of disclosure controls and procedures.

The registrant's principal executive officer and principal financial officer, based on his evaluation of the registrant's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934) has concluded that, as of June 30, 2004, the registrant's disclosure controls and procedures are adequate and effective to ensure that material information relating to the registrant is recorded, processed, summarized and reported within the time periods specified by the SEC's rules and forms, particularly during the period for which this quarterly report has been prepared.

(b) Change in internal controls over financial reporting.

The registrant's principal executive officer and principal financial officer has concluded that there were no changes in the registrant's internal controls over financial reporting during the registrant's second fiscal quarter that have materially affected, or are reasonably likely to materially affect, the registrant's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

31 - Certificate of PPL Transition Bond Company's principal executive officer/principal financial officer
pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

32 - Certificate of PPL Transition Bond Company's principal executive officer/principal financial officer
pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

99 - Quarterly Servicer's Certificate

(b) Reports on Form 8-K

None.

GLOSSARY OF TERMS AND ABBREVIATIONS

Capital Subaccount - An account held by the Trustee under the Indenture, which was funded by a contribution to PPL Transition Bond Company, LLC by PPL Electric Utilities at the date of issuance of each series of transition bonds.

CEP Securities - CEP Securities Co. LLC, a Delaware limited liability company and formerly an indirect wholly-owned subsidiary of PPL Electric Utilities. Effective July 1, 2000, CEP Securities became an indirect, wholly-owned subsidiary of PPL Energy Funding Corporation, a direct subsidiary of PPL Corporation.

Competition Act - The Pennsylvania Electricity Generation Customer Choice and Competition Act, enacted in Pennsylvania in December 1996.

General Subaccount - An account held by the Trustee under the Indenture, into which ITC remittances from the Servicer are deposited. The Trustee allocates the funds from the General Subaccount to other subaccounts on the quarterly payment dates for the transition bonds.

Indenture - The Indenture entered into by PPL Transition Bond Company, LLC and the Trustee, providing for the issuance of the transition bonds.

ITC - Intangible Transition Charge, which PPL Electric Utilities has been authorized by the PUC to impose on customer bills and to collect through a non-bypassable billing mechanism to recover Qualified Transition Expenses.

ITP - Intangible Transition Property, which is the property right created under the Competition Act, representing the irrevocable right of PPL Transition Bond Company, LLC to receive, through the ITC, amounts sufficient to recover all Qualified Transition Expenses.

Overcollateralization Subaccount - An account held by the Trustee under the Indenture, which is funded ratably from collections of the ITC over the term of each series of transition bonds.

PPL - PPL Corporation, the parent holding company of PPL Electric Utilities, PPL Energy Funding and other subsidiaries.

PPL Electric Utilities - PPL Electric Utilities Corporation, the sole member of PPL Transition Bond Company, LLC.

PPL Energy Funding - PPL Energy Funding Corporation, a subsidiary of PPL and the parent company of PPL Energy Supply, LLC.

PUC - Pennsylvania Public Utility Commission.

PUC Restructuring Order - The final order issued by the PUC to PPL Electric Utilities in August 1998, in connection with PPL Electric Utilities' restructuring filing under the Competition Act, as supplemented by a May 1999 PUC order.

Qualified Transition Expenses - The transition or stranded costs of an electric utility approved by the PUC for recovery through the issuance

of transition bonds under the Customer Choice Act; the costs of retiring existing debt or equity capital of the electric utility or its holding company parent, including accrued interest and acquisition or redemption premium, costs of defeasance, and other related fees, costs and charges, through the issuance of transition bonds or the assignment, sale or other transfer of ITP; and the costs incurred to issue, service or refinance the transition bonds, including accrued interest and acquisition or redemption premium, and other related fees, costs and charges associated with the transition bonds, or to assign, sell or otherwise transfer ITP.

Reserve Subaccount - An account held by the Trustee under the Indenture, which consists of remaining funds available after required allocations on the quarterly payment dates for the transition bonds.

SEC - Securities and Exchange Commission.

Servicer - PPL Electric Utilities acting in this capacity under the Servicing Agreement. In this capacity, PPL Electric Utilities calculates, bills and collects the ITC, and maintains applicable accounting records, among other duties.

Servicing Agreement - The Intangible Property Servicing Agreement between PPL Electric Utilities, as Servicer, and PPL Transition Bond Company, LLC, as Issuer.

Trustee - The Bank of New York, a New York banking corporation, as Trustee under the Indenture.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

PPL Transition Bond Company, LLC
(Registrant)

Date: August 11, 2004

/s/ James S. Pennington
James S. Pennington, Manager

/s/ Charles S. Baker
Charles S. Baker, Treasurer

Exhibit 31

CERTIFICATION

I, JAMES E. ABEL, the principal executive officer and principal financial officer of PPL Transition Bond Company, LLC (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant for the quarter ended June 30, 2004;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report,

fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   a. Designed such disclosure controls and procedures or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant is made known to me by others within the registrant, particularly during the period in which this report is being prepared;

   b. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   c. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 11, 2004

/s/ James E. Abel
James E. Abel
Manager
PPL Transition Bond Company, LLC
(principal executive officer/principal financial officer)

Exhibit 32

CERTIFICATE PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
FOR PPL TRANSITION BOND COMPANY, LLC'S 10-Q FOR THE QUARTER ENDED JUNE 30, 2004

In connection with the quarterly report on Form 10-Q of PPL Transition Bond Company, LLC (the "Company") for the quarter ended June 30, 2004, as filed with the Securities and Exchange Commission on the date hereof (the "Covered Report"), I, the principal executive officer and principal financial officer of the Company, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that:

- The Covered Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

- The information contained in the Covered Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 11, 2004

/s/ James E. Abel
James E. Abel
Manager
PPL Transition Bond Company, LLC
(principal executive officer/principal financial officer)

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

Exhibit 99

Quarterly Servicer's Certificate

PPL Transition Bond Company LLC
$2,420,000,000 Transition Bonds, Series 1999-1

Pursuant to Section 4 of Annex 1 the Intangible Transition Property Servicing Agreement dated as of August 10, 1999 (the "Servicing Agreement") between PPL Electric Utilities Corporation, as Servicer and PPL Transition Bond Company, LLC, as Issuer, the Servicer does hereby certify as follows:

Capitalized terms used in the Quarterly Servicer's Certificate (the "Quarterly Certificate") have their respective meanings as set forth in the Servicing Agreement. References herein to the "Indenture" are to the Indenture dated as of August 10, 1999 between PPL Transition Bond Company, LLC, as Issuer and The Bank of New York as Trustee.

Billing Periods: March 2004, April 2004, May 2004
Payment Date: June 25, 2004

1.Collections Allocable and Aggregate Amounts Available for the Current Payment Date:

i.	Remittances for the March 2004 Collection Period	$31,071,339.30
ii.	Remittances for the April 2004 Collection Period	$29,423,327.74
iii.	Remittances for the May 2004 Collection Period	$27,376,881.16
iv.	Net Earnings on Collection Account	$87,807.45
v.	Net Earnings on Capital Subaccount	$21,752.95
vi.	Net Earnings on Overcollateralization Subaccount	$10,224.57
vii.	Net Earnings on Reserve Subaccount	$21,051.77
viii.	**General Subaccount Balance**	**$88,012,384.94**
ix.	Reserve Subaccount Balance	$9,353,965.76
x.	Overcollateralization Subaccount Balance	$5,886,486.16
xi.	Capital Subaccount Balance (less $100K)	$12,000,000.00
xii.	**Collection Account Balance**	**$115,252,836.86**

2.Outstanding Principal Balance and Collection Account Balance as of Prior Payment Date:

i.	Class A-1 Principal Balance	$0.00
ii.	Class A-2 Principal Balance	$0.00
iii.	Class A-3 Principal Balance	$0.00
iv.	Class A-4 Principal Balance	$0.00
v.	Class A-5 Principal Balance	$218,538,788.00
vi.	Class A-6 Principal Balance	$223,000,000.00
vii.	Class A-7 Principal Balance	$455,000,000.00
viii.	Class A-8 Principal Balance	$454,000,000.00
ix.	**Transition Bond Principal Balance**	**$1,350,538,788.00**
x.	Reserve Subaccount Balance	$9,353,965.76
xi.	Overcollateralization Subaccount Balance	$5,886,486.16
xii.	Capital Subaccount Balance	$12,000,000.00

3.Required Funding/Payments as of Current Payment Date:

i.	Projected Class A-1 Bond Balance	$0.00
ii.	Projected Class A-2 Bond Balance	$0.00
iii.	Projected Class A-3 Bond Balance	$0.00
iv.	Projected Class A-4 Bond Balance	$0.00
v.	Projected Class A-5 Bond Balance	$149,923,675.00
vi.	Projected Class A-6 Bond Balance	$223,000,000.00
vii.	Projected Class A-7 Bond Balance	$455,000,000.00
viii.	Projected Class A-8 Bond Balance	$454,000,000.00
ix.	**Projected Transition Bond Balance**	**$1,281,923,675.00**
x.	Required Class A-1 Coupon (6.08% per annum rate)	$0.00
xi.	Required Class A-2 Coupon (6.41% per annum rate)	$0.00
xii.	Required Class A-3 Coupon (6.60% per annum rate)	$0.00
xiii.	Required Class A-4 Coupon (6.72% per annum rate)	$0.00
xiv.	Required Class A-5 Coupon (6.83% per annum rate)	$3,731,549.81
xv.	Required Class A-6 Coupon (6.96% per annum rate)	$3,880,200.00
xvi.	Required Class A-7 Coupon (7.05% per annum rate)	$8,019,375.00
xvii.	Required Class A-8 Coupon (7.15% per annum rate)	$8,115,250.00
xviii.	Required Overcollateralization Funding	$327,028.00
xix.	Required Capital Subaccount Funding	$0.00

4.Allocation of Remittances as of Current Payment Date Pursuant to Section 8.02(d) of the Indenture:

*	i.	Bond Trustee Fees and Expenses	$5,625.00
	ii.	Independent Managers Fee	$0.00
**	iii.	Servicing Fee	$312,500.00
**	iv.	Quarterly Administration Fee	$25,000.00
**	v.	Operating Expenses (subject to $100,000 cap)	$79,341.33
	vi.	**Quarterly Interest**	**$23,746,374.81**
		1. Class A-1 Bond Coupon Payment	$0.00
		2. Class A-2 Bond Coupon Payment	$0.00
		3. Class A-3 Bond Coupon Payment	$0.00
		4. Class A-4 Bond Coupon Payment	$0.00
		5. Class A-5 Bond Coupon Payment	$3,731,549.81
		6. Class A-6 Bond Coupon Payment	$3,880,200.00
		7. Class A-7 Bond Coupon Payment	$8,019,375.00
		8. Class A-8 Bond Coupon Payment	$8,115,250.00
	vii.	Principal Due and Payable	$ -
	viii.	**Scheduled Quarterly Principal**	**$68,615,113.00**
		1. Class A-1 Bond Principal Payment	$0.00
		2. Class A-2 Bond Principal Payment	$0.00
		3. Class A-3 Bond Principal Payment	$0.00
		4. Class A-4 Bond Principal Payment	$0.00
		5. Class A-5 Bond Principal Payment	$68,615,113.00
		6. Class A-6 Bond Principal Payment	$0.00
		7. Class A-7 Bond Principal Payment	$0.00
		8. Class A-8 Bond Principal Payment	$0.00
**	ix.	Operating Expenses (in excess of $100,000)	$0.00
	x.	Funding of Capital Subaccount (to required level)	$0.00

	xi.	Funding of Overcollateralization Subaccount (to required level)	$316,803.43
***	xii.	Net Earnings on Capital Subaccount Released to Issuer	$21,752.95
	xiii.	Withdrawal from Reserve Subaccount	($5,141,401.92)
	xiv.	Released to Issuer upon Series Retirement: Collection Account	$0.00

5.Outstanding Principal Balance and Collection Account Balance as of Current Payment Date:
(after giving effect to payments to be made on such payment date):

i.	Class A-1 Principal Balance	$0.00
ii.	Class A-2 Principal Balance	$0.00
iii.	Class A-3 Principal Balance	$0.00
iv.	Class A-4 Principal Balance	$0.00
v.	Class A-5 Principal Balance	$149,923,675.00
vi.	Class A-6 Principal Balance	$223,000,000.00
vii.	Class A-7 Principal Balance	$455,000,000.00
viii.	Class A-8 Principal Balance	$454,000,000.00
ix.	**Transition Bond Principal Balance**	**$1,281,923,675.00**
x.	Reserve Subaccount Balance	$4,233,615.61
xi.	Overcollateralization Subaccount Balance	$6,213,514.16
xii.	Capital Subaccount Balance (less $100K)	$12,000,000.00

6.Subaccount Draws as of Current Payment Date (if applicable, pursuant to Section 8.02(d) of the Indenture):

i.	Reserve Subaccount	($5,141,401.92)
ii.	Overcollateralization Subaccount	$0.00
iii.	Capital Subaccount	$0.00
iv.	**Total Draws**	($5,141,401.92)

7.Shortfalls In Interest and Principal Payments as of Current Payment Date:

i.	**Quarterly Interest**	**$0.00**
	1. Class A-1 Bond Coupon Payment	$0.00
	2. Class A-2 Bond Coupon Payment	$0.00
	3. Class A-3 Bond Coupon Payment	$0.00
	4. Class A-4 Bond Coupon Payment	$0.00
	5. Class A-5 Bond Coupon Payment	$0.00
	6. Class A-6 Bond Coupon Payment	$0.00
	7. Class A-7 Bond Coupon Payment	$0.00
	8. Class A-8 Bond Coupon Payment	$0.00
ii.	**Quarterly Principal**	**$0.00**
	1. Class A-1 Bond Principal Payment	$0.00
	2. Class A-2 Bond Principal Payment	$0.00
	3. Class A-3 Bond Principal Payment	$0.00
	4. Class A-4 Bond Principal Payment	$0.00
	5. Class A-5 Bond Principal Payment	$0.00
	6. Class A-6 Bond Principal Payment	$0.00
	7. Class A-7 Bond Principal Payment	$0.00
	8. Class A-8 Bond Principal Payment	$0.00

8.Shortfalls in Required Subaccount Levels as of Current Payment Date:

i.	Overcollateralization Subaccount	$0.00
ii.	Capital Subaccount	$0.00

IN WITNESS HEREOF, the undersigned has duly executed and delivered this Quarterly Servicer's Certificate this 22nd day of June, 2004.

PPL Electric Utilities Corporation, as Servicer

by: _____
James E. Abel
Treasurer

Note: Quarterly allocation of items in 4:

* Bank of New York

** PPL Electric Utilities Corporation

*** PPL Transition Bond Company, LLC

End of Filing

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