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Director of Major Projects and Technical Activities
Financial Accounting Standards Board
401 Merritt 7
Norwalk, Connecticut 06856-5116
(e-mail: director@fasb.org)

Re: Proposed FASB Staff Position, No. FAS 142-d

PPL Corporation (PPL) appreciates the opportunity to comment on the Financial Accounting Standards Board's (FASB or Board) Proposed FASB Staff Position No. FAS 142-d, *Amortization and Impairment of Acquired Renewable Intangible Assets* (FSP FAS 142-d).

PPL is an energy and utility holding company that, through its subsidiaries, is primarily engaged in the generation and marketing of electricity in the northeastern and western United States and in the delivery of electricity in Pennsylvania, the United Kingdom, and Latin America.

We have reviewed FSP FAS 142-d and are submitting the following comments for the Board's consideration.

Paragraph B12 and Appendix C: We believe the Board should provide clarification as to why it is appropriate to accrete a liability recognized as a result of an acquisition but not appropriate to accrete an intangible asset.

Prior to being superseded by Statement of Financial Accounting Standards No. 141, *Business Combinations* (SFAS 141), paragraph 88 of Accounting Principles Board Opinion No. 16, *Business Combinations* (APB 16), indicated that it was appropriate to accrete interest on both assets and liabilities recorded at discounted amounts as a result of a business combination. SFAS 141 was silent on this issue, however, it is our understanding that the intention of SFAS 141 was to address only day one accounting issues and it was not the intention of the Board to eliminate the accretion of interest on acquired intangible assets for day two accounting. FSP FAS 142-d, paragraph B12 and Appendix C appear to suggest that the appropriate day two accounting for an acquired intangible asset is to amortize the asset based on each period's discounted cash flows, as determined on the date of acquisition, with no accretion. We request that the Board provide clarification as to why it is inappropriate to accrete an acquired intangible asset that was recorded at a discounted amount when it is appropriate to accrete an acquired liability also recorded at a discounted amount and why paragraph 88 of APB 16 is no longer relevant.

The information contained in the table below was developed by utilizing information contained in Appendix C, Example 1 of FSP FAS 142-d. The purpose of the table is to demonstrate the income statement and balance sheet differences that result from accreting an acquired renewable intangible asset compared with the result of applying the approach shown in Example 1. The table below does not consider the amortization of renewal costs, since such costs would be handled similarly under either approach.

Years	Income Statement Impact - From Example 1	Income Statement Impact - Including Accretion	Carrying Value of Asset at End of Period - From Example 1	Carrying Value of Asset at End of Period - Including Accretion
1-3	$ (248,806)	$ (125,391)	$ 372,852	$ 496,267
4-6	(160,271)	(119,667)	$ 212,581	$ 376,600
7-9	(103,240)	(118,779)	$ 109,341	$ 257,821
10-12	(66,503)	(123,376)	$ 42,838	$ 134,445
13-15	(42,838)	(134,445)	-	-
Total	$ (621,658)	$ (621,658)		

We would like to thank the Board for the opportunity to share our views and concerns on proposed FSP FAS 142-d.

Very truly yours,

Matt Simmons
Vice President & Controller

cc: Mr. J. R. Biggar
Mr. P. A. Farr
Mr. M. D. Woods
Mr. M. A. Cunningham