

Don: Today's discussion will begin to address how those changes will impact your business. We have heard from many of you in this past year's key account survey that you would like this information in a webinar format like this. A few housekeeping items as we start. First, everyone's phone should automatically be put on mute. You should be able to hear the presentation over your phone and see the slides on your computer screen. If you have any problems with either viewing the slides or hearing the presentation, please dial *0 on your phone after you've connected to the conference telephone number. If at any time during the presentation you have a question, just type your question in the chat box that appears in the message section in the bottom right area of your screen and hit enter. Following the formal presentation, as time allows, questions will be read and answered. We'll be posting responses to all questions as well as the entire presentation on our website. I will explain more about that at the end of the presentation today. Finally, shortly after today's session, you will receive a short survey via E-mail. Your input will be valuable in planning for future sessions. Please take a few moments to complete and submit your thoughts to us.

Now, onto the presentation. It gives me great pleasure to introduce our speaker for today, Doug Krall, Manager of Regulatory Strategy for PPL Electric Utilities.

Doug: Thank you, Don, and good morning participants. Let's go to the first slide. Just bear with us please while this first slide comes up. Thank you for your patience. Hopefully, we won't have any other delays. Our objectives today are to increase your understanding of electric competition and what's happening in PPL's service territory with electricity prices. In addition, we'd like to introduce you to the how-to of shopping, some of the basics of how to go about shopping. We'd like to also increase your understanding of the options that you have available to you to manage higher prices and finally, we'd like to increase your understanding of the resources that are available to help you think about how your facilities use energy and what actions you can take to improve efficiency. Let's go to the next slide.

Let's look now at the three parts of electric service as they exist today. Prior to 1997, the electricity marketplace was made up of vertically integrated utilities. The company I work for, Pennsylvania Power and Light Company, was one such entity. It held a monopoly on the supply of electricity and its franchise service territory. Electricity was generated at PPL owned power plants, transported over transmission lines under PP&L's control and delivered over PP&L's distribution system. Following the deregulation of the electricity industry in Pennsylvania, retail customers are able to purchase generation from a variety of entities as depicted in this slide by the multitude of generating plants on the left side and if you'll look closely, you'll notice that not only are they different colors but some represent windmills and solar panels and variety of sources that are available so that customers can choose not only the source of generation but the type of generation to match their needs. In the middle remains the transmission system and the transmission system under federal law is regulated by the Federal Energy Regulatory Commission. I generally think of the transmission system as the large wires and towers along interstate highway systems and it serves pretty much the same function. It provides a path for electricity and high voltages to reach distribution centers and ultimately individual

customers at lower voltages. On the far right is the remaining monopoly. Today, PPL Electric Utility provides electric distribution service to customers in 29 counties of Central Eastern Pennsylvania. PPL also stands ready to provide generation service to those customers should they not have another source of generation. This goes by the name of Default Service or Provider of Last Resort Service. This structure has existed since 1997 and some of you may remember shopping for electricity way back in the 20th century. Why aren't people shopping for electricity now? The answer has to do with rate cap. Once again, please bear with us. We seem to have a slow connection this morning.

Op: Good morning, ladies and gentleman. This is the operator. We thank you for your patience and will begin shortly.

Don: And let me add my apologies for the delay. Our computer system ended up out of sync so that we were looking at a slide that you weren't looking at and I think we're now all in the same place. I was a little concerned about going forward with a script that wouldn't make sense with what you were looking at. So, thank you again for your patience. We talked about how the industry is structured, how it was structured. For those of you who are more familiar with PP&L, let's look briefly to what PP&L looks like today. We're a large corporation and we consist of five basic components and let me work from right to left. PPL Electric Utilities is the utility company, the distribution company, that provides service in Central Eastern Pennsylvania and that's what it says in the little box underneath. We also have a global affiliate. Our global affiliate primarily owns and operates a business in the UK that's a distribution company much like the distribution company in Pennsylvania. It provides service to slightly more than 1.5 million customers in Wales and Southern England. PPL Energy Services consists of a group of mechanical contracting companies who provide energy management services and facilities maintenance services and also development of renewable energy facilities. The next box over to the left is PPL Generation. PPL Generation owns and operates generating facilities in Pennsylvania, in Maine, in Montana, in Illinois. Finally on the far left, PPL Energy Plus is a marketing and trading firm. It's also a wholesale and retail electricity supply firm and supplies energy and energy services in deregulated markets. Let's see if we can get to the next slide. We're still having problems here but we've established a link to one of you viewers and participants who are telling us when the slides change. So, it becomes a three way event here in the 21st century. Let's talk about obtaining electricity supply for 2010, which is what it should say on the slide that you're looking at. PPL Electric Utilities does not own generation. We must obtain generation supply for default service customers from the competitive marketplace and the generation charges for that default service are passed through to customers without a profit. Let's talk in a little bit more detail about what we've done in that regard. We've actually begun buying power in 2007 for delivery in 2010. We've used and are using a series of six scheduled competitive solicitations in the fall and spring of each year. The idea of using a phased in approach is that it reduces the price risk of buying all at once. Some of you may recall the disruption that it caused in Pike County, Pennsylvania, Maryland and other places following the hurricanes of 2005. The product that we're buying is a fixed price, full requirements product for each rate class. That's utility jargon for electricity that serves your hour to hour, minute to minute needs and it's differentiated for residential customers as opposed

to small business customers as opposed to industrial customers. We've completed five rounds of solicitations for the residential and small commercial and industrial customers and the average price for those auctions for the generation is on the order of 10.5 cents per kilowatt hour. The sixth round of solicitations will occur in October of 2009 for the residential and small commercial customers and there will also be at that time a single round of solicitation for the large customers. After each result. After each auction, I should say, the results are taken to the PUC who certifies, assuming that it's been done in accordance with the rules that it has been done in accordance with the rules established by them and the results are consistent with the market price. Let me reiterate that PPL Electric Utilities makes no profit on Default Service. This is not to say that there's no profit to be made on Default Service but that the profit, if any, belongs to the wholesale suppliers who bid successfully in these solicitations. As a consequence, PPL Electric Utilities really has no preference for whether you as customers take Default Service or competitive supply. Now with some trepidation, let's try to move to the next slide.

Let's talk a little bit more about Default Supply and in particular, Default Supply for our larger customers. For 2010, large power customers can shop or choose fixed price Default Supply or they can choose hourly priced Default Supply. Customers must opt into the large power solicitation by July 27 to have the choice of the fixed price option and we'll talk in another slide or two about the details of those choices and those dates. PPL Electric Utilities will obtain Default Supply on an hourly basis based on PJM's hourly locational marginal prices for customers who either reject the fixed price offer and do not shop and for customers who need to return to Default Service after shopping. Many of you may be wondering why large customer Default Service is different. The reason is that wholesale suppliers generally see more risk in serving default service large customers because those customers are more likely to shop. The customers most likely to shop tend to be those who are the least costly to serve. Common sense tells us that they were the ones who will probably see the best offers and take advantage of them. So as a consequence, Default Service offerings are likely to include a risk premium in the price. The solicitation process that we're using seems somewhat complex but it's rooted in the idea of trying to reduce the risk that shows up in that price and obtain a better price for that service. So, we attempt to narrow the pool of participants by soliciting in the first instance who would want to be part of that pool and then we also do it later, that is closer to the time that the electricity gets delivered, to try to reduce the amount of risk that goes into that price associated with the time between the bid and the delivery. Let's try for another slide.

We've been checking with a number of people on the call and we find that a number of you are looking at different slides than even we're looking at. We apologize for this problem. I'm not sure... Maybe this presentation is actually haunted but we are going to post the slides. We'll try to do it within the next few minutes if we can and E-mail them to participants. They will be posted later on. What we're going to do is go ahead the best we can. I'll talk slowly and carefully, make note of any questions you have and we will take questions over an extended period.

For your future reference, mark down that we're on slide seven. The title of the slide is Obtaining Fixed Price Default Supply for Industrial Customers. This slide lays out the date for this fixed price solicitation that I talked about. The slide consists simply of a series of dates. July 27 is our deadline for large customers to express interest in the one year fixed price option. We will be contacting you regarding your interest in being part of that pool. Once we know who the participants are going to be, we package up your load shapes and make them available to potential bidders. Bids will be due on October 5. There's a three day period for reviewing the bids, passing them past the Public Utility Commission and our expectation is that on October 8, they would approve those bids. We will announce the results on the 8th or the 9th of October as soon as we get PUC approval and then there will be a period of one month for customers to consider whether that fixed price, one year term product, works for them. So, the deadline for selection is November 9.

We're going to move now to the next slide, which would be slide number 8. Slide number 8 is titled Components of a 2010 PPL Electric Utilities Bill. We've been focused thus far on the generation component of your 2010 bill should you not take competitive supply. Let's take a moment to look at all the components of your bill. There are four components and when you see this slide and I'm told some of you are on target and there are a lot of cheers going on in this room. On the left side, you see the bill components. Distribution charge, the transmission charge, the generation charge and then a catch all category for the various adjustment clauses and riders that have become so prevalent on electric utility bills. The distribution charge is the price that PPL Electric Utilities charges for delivering electricity to your business and it really doesn't matter whose electricity it is. That charge covers the wires, the meter, the substations and the billing infrastructure that make it possible for electric service to occur. Distribution rates are set by the Public Utility Commission and they're set through the old fashioned rate making process. In 2010, distribution charges will continue to be billed by PPL Electric Utilities. The transmission charges across moving electricity from a generating plant, the high voltage, to the PPL Distribution System, closer to the delivery point and as I said earlier, the rates for the transmission charge are set by the Federal Energy Regulatory Commission. They're passed through with the approval of the Pennsylvania Public Utility Commission to become a retail charge on your electric bill. There's really minimal change in 2010 to the transmission charge. If you are shopping, the transmission charge will be billed to you by the electric generation supplier. Otherwise if you're taking Default Service from PPL, PPL will bill you the transmission charge. Some of you may remember from the early days of shopping, the concept of price to compare. Price to compare was simply the sum of the transmission charge and the generation charge and those are the services that were portable that could be replaced by competitive supply. That concept continues in this time. We've talked a lot about the generation charge and this is the amount your electric generation supplier charges for making your electricity and your generation supplier could be a competitive supplier should you choose to shop or it could be PPL Electric's Default Service Supply. In either case, that service represents competitive market pricing either through the process that we obtain it or the process that your competitive supplier would obtain it. If shopping, the generation charge could be billed by either the supplier or by PPL depending upon whether your competitive supply reflects a one bill or a two

bill option. Otherwise if not shopping, it's Default Service and would be billed by PPL. Finally, the various adjustment clauses and riders are the surcharges covering various tax elements, the universal service charge and the new Act 129 costs that were approved by the Pennsylvania legislature at the end of last year. These are billed to you by PPL Electric Utilities whether you shop or not and these are generally adjusted on an annual basis.

Trying to move now to the next slide. I'm not seeing it but I believe some of you are. The slide is slide number 9 and the title on the slide is Additional Changes to Your PPL Electric Utilities Bill for 2010. There are some additional changes that are coming in 2010 in addition to the end of the rates caps that we want you to be aware of. The rate caps were in place for a period of about 12 years. While under the restructuring legislation, PPL collected stranded costs. The rate caps are coming to an end is a signal that the stranded cost collection is also coming to an end. Some of you are familiar with the components on your bill related transition charges. The intangible transition charge disappeared at the end of last year. The remaining portion of stranded costs collected under the competitive transition charge, or CTC, is scheduled to expire at the end of this year. Another change is the structure of generation charges. Many of you are familiar with the declining block structure that prices electricity, the first amount of electricity, at the highest amount and greater amounts of electricity at a lower rate. Through the solicitation process, we're obtaining a flat price per kilowatt hour, which in many ways is similar to what competitive suppliers are offering. Anticipate that the declining block structure will be going away at the end of this year. There are credits on some of your bills: economic development initiative and industrial initiative credits. These are similar to tax incentives or Keystone Opportunity Zone incentive that were short term in duration and intended to spur economic development. These credits were first initiated in the 1980's and were set to expire in the 1990's. The caps on generation prices, in fact the caps on distribution prices as well, locked those credits in for a longer period than was originally intended. The distribution portion of those credits phased out at the end of 2004. The remaining generation of those portion of those credits will phase out at the end of this year. Finally, there will be no demand, that is a kilowatt hour component, to Default Service generation charges. Again, with the move away from a declining block, the move to a market that prices each kilowatt hour and each hour, there will be no more demand component for generation charges. Now before turning our attention to shopping for generation supply, let me remind you that you have the opportunity to submit questions using the chat box feature that Don described and we have received some questions and we thank you for those. Questions received during the webinar will be answered at the end. Those answers, as well as answers to questions received later, will be posted with the archived version of the webinar and we encourage you to continue submitting questions especially in light of the technical difficulties that you have. Again, I understand that some of you may still be having some difficulty in advancing your slides or in being current and by now you should have received an E-mail with the full slide set. Again, we apologize for these technical difficulties and hope that by making the slides available, you can follow along better than just following my voice.

Let's try to turn to the next slide and let's turn now to shopping and what you can do to get ready. The first thing you can do is talk to third parties and there are lots of third parties out there. There are EGS's which are Electric Generation Suppliers. I've referred to them already as competitive suppliers. Some will refer to them as alternative suppliers. There are entities known as aggregators and aggregators are entities that will look to group together the loads of various customers and seek supply for a common load shape that may be advantageous to those customers. There are providers of demand response also sometimes known as curtailment service providers. They're entities that will serve as an intermediary to the PJM Demand Response Programs or in the new world of energy efficiency and conservation established by Act 129, they may be providing services on behalf of electric distribution companies who have an obligation to provide such services and achieve reductions in demand. There are brokers of various sorts in the market place and there are various consultants out there to help advise on electricity supply issues. You should also understand your electricity needs. You should take this opportunity to review your historical usage and your future needs and you should seek to determine any degree of flexibility you may have in your usage. Ask yourself whether you have the ability to shift demand from on peak to off peak periods. On peak periods, electricity is more expensive than in off peak periods and by shifting your load shape, you will shift the cost to serve your load and perhaps find a way to save significant amount of money. You should ask yourself if you have the ability to participate in demand response programs. In other words, can you shut your plant down on a regular schedule or within a two hour timeframe or on an on-demand basis? Those reductions have value in the marketplace and they have value to you as an electricity product. You also might want to take the opportunity to determine your requirement for cost stability and here are the questions are the same you face in part of your business. Do you have a preference for stability? Do you prefer a long term deal at a fixed price or can you handle volatility in which case maybe short term contracts are a way to go? Fundamentally, what you want to do is establish your needs, your preferences and the decision criteria that are going to help you through this choice. Third item you may want to consider is to evaluate suppliers. This is similar to working with other vendors for your other supply needs. You need to do some due diligence. You need to talk to people. You need to assess their capabilities. You may want to consider the process you're going to use. Are you going to go out for a Request for Information? Are you going to do formal RFP's? Are you going to structure an auction process or a bidding process or are you simply going to do it as a bilateral arrangement? And you want to review contract and language early. This is something that you may be able to get out of the way before the pricing decision has to be made especially if terms and conditions are an overriding concern for your business. A very important step is to make available to third parties your usage information and in order to do that, you have to provide an authorization to PPL. Otherwise, we're careful about who we give your information to. You will be contacted in the next few weeks, if you haven't been already, about a process for releasing your information. Many of you are familiar that there is already such a facility on the web. A common concern we hear is 'Why bother? There are no marketers anyway. There is no shopping.' Our answer is that they are coming and they will be here. Let's look at why we think this is the case by looking at some of those service territories where rate caps have expired.

With luck, you're looking a slide that says Shopping in Western Pennsylvania. It should be slide number 11 for those of you who are looking at the deck. This slide shows the percentage of customers served by alternative electricity suppliers, competitive suppliers. In the service territories is Duquesne Light where generation rate caps have not existed for about 7 years and Penn Power where the caps were lifted within the last 3 years and you can see that there are a significant number of customers shopping, even residential customers. There are price opportunities to save relative to Default Service and there are electric generation suppliers offering products that are of interest to customers. Look in particular at the industrial category. In Duquesne Light Service territory, approximately 50 percent of the industrial customers are taking competitive supply not Default Service from Duquesne. These actually represent almost 90 percent of Duquesne's load. The story is similar in the Penn Power service territory where again, 90 percent of the load, in this case 67 percent of the individual customers, are being served by alternative electricity suppliers. I can tell you that a day doesn't go by that PPL Electric Utilities doesn't get a call from one or more electric generation suppliers looking to understand our rules, our procedures, seeking to test electronic transactions with us, looking for information about how to access our customers. Don't worry. Shopping will occur.

Move to the next slide, which would be slide number 12. The title slide is What to Ask Suppliers. A good source of information is the Public Utility Commission's Choice website. You can access it directly. The URL is at the bottom of the page or you can access it through PPL Electric's website. Here's a list of some of the questions on that website that trigger some of the questions you might ask to suppliers. Is the supplier licensed by the PUC? That's a must. Only licensed suppliers can participate. Sometimes that's a good question to help you understand who you're talking to in this new and confusing world. Somebody who's not licensed may be simply a consultant, a broker, an aggregator but that does not mean they can't provide you a useful service and engage an EGS on your behalf. You want to ask about the length and other terms of the agreement. You want to know whether the price offered by the supplier will remain the same throughout that time or whether it may be indexed to a market price. You want to know whether there's a penalty for canceling an agreement before the term is up and here it might be appropriate to mention that during the transition period when prices were capped, there were limitations on Default Service and a term limit of one year and a process in place for if you were going to shop and not take Default Service for one year. You should be aware that those restrictions have been eliminated for Default Service. Question 5, will I pay a fee or penalty to switch suppliers? Again, similar to the issue to canceling before the term is up. Are there restrictions on how much electricity I use and when I use it? You need to be careful about price structures that may assume the first hundred KW of demand, for example, and 100 kilowatt hours per hour priced at one level and pricing at a different level for other use. Are taxes included in supplier's price for generation supply? A simple question but one to get clear up front. Question of do I need a special meter and is there an added charge for that meter? We don't think that PPL Electric customers should face that question often because PPL Electric Utilities has installed for all of its customers what we believe qualifies as smart meter technology. Many of you know that you can already go to the company's website and using your account number and password information, see your actual hourly usage. We don't

anticipate the need for you to need special meters to shop in the PPL service territory. Question 9 is there a basic or limited service rate that's less expensive? Does the supplier offer some options? Will I get service from a supplier if I have an outstanding balance or bad payment history? Buying electricity is very similar to buying anything else and there are credit issues that you must consider. Does the supplier offer a budget billing plan and is that important to you? And finally, will I receive one bill or two bills and can I have that sent to my billing office? Can I have it consolidated with other electric accounts? All customer service type questions.

Let's move to slide 13 and again, the slide is titled What Customers Can Do. We said that understanding your electricity usage and any flexibility that you may have or your ability to reduce usage can be an important part of preparing to shop. It's also an important part of managing your use and your bill with the objective of trying to offset higher prices by using energy wisely. Trying to make informed decisions about the options that give you greater control over your bills. Use the Energy Analyzer. I've already alluded to the fact that as many of you know, you can see your energy use and your hourly use on our website. You can pull it down in a spreadsheet. There are ways to make it available to suppliers and consultants and you should take the steps to shop for electricity supply by getting ready early and taking care of that authorization to release data, looking to make your best deal. In other words, shop around. We will be out there seeking to help you prepare and helping you understand how to shop but you need to understand that we cannot be your shopping agent and we can not evaluate your offers for you and finally, visit the Utility Choice website at the PUC's website. Again, the URL is given there.

Drilling down a little further, let's talk about Energy Analyzer. This would be slide 14 and it simply shows a screenshot of the kind of information that's available on our website as a result of the meter capability that we've been installing since 2002 and the behind the scenes smarts that take that data and allow it to be presented in useful and interesting ways. Our customers have access to daily, hourly and interval electric use that is unprecedented in the state of Pennsylvania. Historical bill histories are available here and there is the ability to export the data to do further analysis. You may sense that we're pretty proud of what we've been able to accomplish and to do it at a time when it's most needed by our customers.

The next slide is slide 15 and should be captioned Where to Find Suppliers and this is the third time we've given you the Public Utilities' URL but that is the ultimate source for who suppliers are. Again, suppliers are licensed through the Commission. They have to meet certain Commission requirements and the Commission posts the names of licensed and compliant suppliers on their website and as you can see, there's a little map and also some bullets there that allow you to pick the service territory that's of interest to you. We will be working with the Commission to try to keep this website as up to date as we can and I acknowledge that if you go there now, you won't find many suppliers and we are in contact with the Commission to try to get those suppliers up there and their names visible to you.

We talked about Demand Response and slide 16 is captioned PJM's Demand Response Site and again, we've provided the URL for that. Demand Response is a little bit more sophisticated form of supply. In fact, some people call it negawatts with an 'N' because it's not real electricity. It's sort of un-using electricity but there is a market for load reductions. It has value to you in terms of avoiding the purchase of what might be high cost electricity in periods when prices are high and it also has a value to PJM and the pool in general in controlling loads in high cost periods. My suggestion to you is unless you're familiar with this, you should be talking to curtailment service providers or other consultants who can navigate your way through this. This gets into some of the more sophisticated aspects of electricity supply and you need to be careful of what commitments you make to reduce loads that may affect your production processes but in the unbundled world of electricity going forward, demand response can be very valuable to you as long as you properly understand how to use it.

Slide 17 is captioned Market Price Education Center and the URL here is our own website. A number of months ago, we developed this little website to bring in PJM locational marginal prices, put them together with some of the other costs associated with bringing electricity to the retail level. Those costs being the value of capacity, the value of credits to comply with renewable obligations, ancillary services and loss factors that have to account for electricity being delivered at high voltage and being delivered ultimately at low voltage. The purpose of this is as it says. It's an education center. It is not necessarily the current prices. You can see the current locational marginal prices on the PJM website. However, those are wholesale level prices. They're not what you would see at the retail level and this website responds to comments we've heard from many of our customers that they wanted to see the retail level prices and they wanted to begin to see them the way that they will see them in the future. We've archived here prices over two years. Using this site, you can get a sense for how prices vary season to season, month to month, day to day, hour to hour, on peak period to off peak period and we've put both day ahead and real time prices on here. Why is that important? We already talked about the fact that PPL will be offering a real time default generation service. So obviously, that's something that's going to be of interest to anybody on that service. That price is going to be the foundation for their charge but you don't really know that price until after you've used the electricity. That is the reality of how the electricity marketplace works. In many instances in other jurisdictions where companies sponsor real-time price programs, they make available to their customers a forecast of the day ahead price and these forecasts are actually posted by PJM who runs the market in day ahead energy. This begins to give the customer the opportunity to anticipate price and in particular the customer who is taking some of his service on a real-time basis. The customer who does that is going to need to put in place some intelligence and some processes to do decision making around process requirements and electricity purchases for the day forward.

Slide 18 is captioned Webinars and Seminars and we think you should take advantage of free webinars that have information about energy efficiency shopping and demand response even if they run into technical glitches like ours. We also have a number of other events including a Choice fair that we'll be sponsoring in late June where we'll

have a host of Choice information available, consultants available for you to talk to and electric generation suppliers available to discuss the possibility of making offers. Again, we can't do the work for you but we do take it seriously as our role to provide you facilitation services to help make it an easier experience.

Slide 19 is a list of websites that might be helpful to you. Our website, we believe, includes a lot of useful information and we pointed some of the most useful information to you. The Department of Energy's Energy Star website includes a wealth of information. The National Renewable Energy Laboratory includes a significant amount of information that may be specific to your actual needs. Penn Future, the Environmental Management Assistance Program, the PUC's website on Act 129 and the Sustainable Energy Fund of Central Eastern Pennsylvania all have useful information on their websites and you may want to take a quick tour through there and of course any website I've been to always includes additional links. So, your access to information simply multiplies through your efforts.

I won't go through Slide 20 in detail. It's a list of definitions and terminology because quite frankly, we know this process is confusing and complex. We thought it would be useful to provide you at least a short, quick reference to some of the more common terms but it is not exhaustive and it is not complete.

Finally, slide 21 is our summary slide. We believe you'll find that electric competition will benefit you as a customer. We know that energy costs have increased and we know that rate caps have shielded customers from those increases. We know that come the end of this year, prices will go up significantly and we're here to try to help you prepare. We think it's important for you at this point to understand your energy use and the opportunities available to you, take what steps you can to improve efficiency, reduce use, shift use. You should consider rate options at the same time and you should get ready to shop for electricity supply.

That concludes our presentation. We've received a number of questions. Let me take a brief pause and I'll be back to you in a moment with answers to those questions.

Don: Thanks, Doug. We've now completed the formal portion of today's webinar. We apologize again for those technical delays you've experienced today. As time allows, Doug is now going to answer your questions that you've already submitted and you submitted quite a few. We've received a number of them already. Remember you can ask your questions through the message box on the lower right hand corner of your screen. Doug, let's address question number one.

Doug: Okay, Don. Thank you and again, my thanks for your hanging in there and your interest in asking questions. First question. What is the definition PPL is using for large customers with regard to the single remaining solicitation? By the terms of the bridge plan that we filed with that was approved by the Commission for 2010, large customers are going to be customers on rate schedules LP4, LP5, LP6, ISP, IST. Some of you may be confused by information in the Commission's policy investigations, inter-polar supply

and in fact, PPL's own proposal for supply beyond 2010 and indeed that definition does change for those periods but for 2010, it remains a rate schedule definition. In 2010... beyond 2010, we split customers who are in LP4 and GS3 at the 500 KW level. As we get closer to that time, we will tell you which group you are in but that doesn't affect your choices in 2010.

Second question. It's been explained that PPL's shopping rate is impacted by PPL's capacity. Wouldn't that in effect be a demand component? And I had said earlier that the demand component will disappear from the bill and that's true. You will no longer for generation, default generation service, see an explicit KW demand component but that doesn't mean that demand still isn't a factor that goes into the pricing of electricity. As I mentioned when we talked about the screen shot of our webpage that shows prices, the prices begin with the energy price, which is the locational marginal price that PJM quotes at the 500 KV level. There are other components to electricity supply and I mentioned that one of them is capacity. Some of you may be aware that you have a capacity obligation associated with your account that's important to the reliability of the PJM system. It's the sum of those capacity obligations that determine how much capacity PJM needs in order to whether extreme load events. So, capacity still is important. If you speak with an electric generation supplier, he may very well ask you what your load obligation to PJM is or your assigned peak load responsibility as it's sometimes called and it's true that that is a component to demand but it's not explicitly billed any longer or will not be explicitly billed any longer

Third question. Where can I get names and contact information for third party providers? As I mentioned earlier, the Commission's website and we provided the URL a number of times is the official source for suppliers who are active in the PPL service territory and we are working to make sure that the Commission keeps that information up to date and gives you a current list of who is available. Very often, that website links you to the supplier's own website and provides information about offers that they may be providing.

Fourth question. Can I see what my bill would look like today if I were on real time PJM pricing? We're working towards that end. We have your historical usage and we already showed that we can produce hourly prices. So, we have programmers working on bringing those two together in a calculational tool that would allow you to see what your price would look like on real time price but unfortunately, we're not quite there yet. You, however, do have that facility. You can download the usage histories from the website or if you're working with an electric generation supplier or consultant, they may be able to get them through electronic data interchange, which is a much more efficient approach and we provided a historical record of PJM hourly pricing. So, it would be possible for you or your consultant to marry those two up to find that information. We agree that's a very important, useful piece of information and are working as quickly as we can to try to provide that calculational tool to you. In the absence of that, we've been able to provide the pieces and the facility for you or your consultant to do that calculation.

Fifth question. Where can I find 2010 regulated transmission and distribution costs? The distribution costs that will be charged in 2010 should be with the exception of tax and

surcharge components, the same as you'd find listed in our tariff for 2009. Distribution costs only change as a result of a PUC base rate proceeding and we do not have one those underway. Transmission costs are posted on our website but do change periodically and are reconcilable each year. I would say that your current transmission rate, though, is a pretty good surrogate for what you'd see in 2010 and remember those components of your bill aren't going to be changed that much by your shopping. Yes, the transmission if you shop would be provided by your electric generation supplier but that is a FERC established rate and should be pretty much a path through from them as well as it would be from us.

Again, thank you for the questions that you provided. We have a few more. If a customer continues use with PPL market pricing into 2010, can they switch to another provider at any time? The answer to that is yes. Whether you're taking fixed price, Default Service from us come January or you're taking the hourly real time price service, you can leave that service at any time to take competitive supply. I did mention earlier, however, that when you return from competitive supply, the only default choice will be hourly price for 2010. Once again, that may change in 2011 and we would provide more details as the Commission approves our proposal and we work through the details with suppliers and customer representative.

Another question. Should someone decide not to shop, can you explain exactly how hourly pricing works and how it would appear on a bill? Hourly pricing is going to be rooted in the PJM locational marginal price and as we've suggested on our educational website, there will be adders for other services required to bring electricity to the retail level. In obtaining that supply, it's our intent to solicit a wholesale supplier to provide that service and the bid evaluation point will be that adder. So as we bid for the supply, the supplier will know he'll get the locational marginal price plus the adder and I presume he will price that to reflect his costs and probably some profit. We're working through the details of how that information will be presented to you in a bill and we're using the full capabilities of our advanced meter infrastructure and billing system to do that. If the question relates to how that information will be presented, part of that effort is to create a website where customers can go see the hourly details and hourly pricing for any bill that we would render. There's a second part to this question. The questioner asks also why should PPL want to make a more complex billing method. Really, we don't. Really we would like to keep default generation service simple. Again, we don't make any money on default generation service and we believe that the competitive marketplace is better equipped to provide to customer's needs and we'll do it more cost effectively. However, we also do need to make a more complex billing and metering method available so that competitive suppliers can take advantage of that information and can meet your needs in the most efficient manner. So, we have an obligation to provide that level of information and that kind of facility. At this point in time, the Commission also requires us to provide it to... I'm sorry, I should say the legislature under Act 129, requires us to make it available to all of our customers. You will see that under the smart meter technology requirements of Act 129 that each and every electric distribution company is obligated to install advanced meter infrastructure and within a certain number of months of the competition of that installation, offer to all of its customers, time of use

and real time price. We're just a little bit ahead of that requirement but you need to understand, too, that in order for suppliers to provide you the best price, they need that kind of information.

Another question. Are distribution charges different for 69 KV customers and I presume this means as opposed to 12 KV customers or customers at other levels and the answer is yes. The distribution charges are allocated to customers based on the facilities that are required to serve those customers. Distribution charges, excuse me, for 69 KV customers tend to be less as a percentage of their bill than those for say, residential customers because 69 KV customers make use of much less of the distribution system. So, much less of the cost of that system is allocated to those customers.

Final question I have at this point is when and where will the Choice fair be held in June and I'm looking to our account manager who is in the room to answer that question. Let me introduce Mr. Ray Murphy who is in charge of our account managers.

Ray: Right and thank you, Doug and I apologize as well as everyone else for some of the issues or challenges we had early on. Right now, we're in the process of putting together some of our final details for the Choice fair. We hope to have it coming out either the last week in June or the first week in July after the holiday, sometime around the week of July 6. For your information, we have been, or I have been in touch with a number of suppliers who are looking very much forward to coming out and meeting with our customers. So, it should be a fairly nice event. As far as the location, we're looking at a couple of different spots but right now it seems to be somewhere in the Harrisburg area. We're trying to keep it out of center city Harrisburg, obviously, for travel reasons and traffic. We'll probably be somewhere along one of the major highways so that people can get in and out fairly easy and as more details are made known, our key account managers will be out there to start speaking with everyone and promoting the event.

Doug: Okay. Thank you, Ray. We're coming up on the 12 o'clock hour which is the end of the webinar but I've received a couple more questions. If we can get through them all, that will be great. Again, the answers to all of the questions and any that we don't get to answer will be posted on the website along with the webinar.

I love this question. It gets right to the heart of the matter. If PPL is shopping for generation, why should we shop? That's a choice each customer is going to have to make for themselves. The way electricity flows is governed by the laws of physics and in order to keep the system functioning, electricity needs to flow and it needs to be balanced second to second. PPL, as the default generation supplier, assures that that will happen. Whether you choose to shop or not and look for a better deal than we can get is fundamentally your choice. I firmly believe that most customers who take seriously their electricity use can get a better deal and the reason for that is simple. Even through we've heard comment that our Default Service is kind of complex, it is relatively simple in the regard that it applies to large groups of customers meaning everybody is averaged together. When wholesale bidders bid on our solicitations, they're bidding to the average load and they're probably adding a premium for risk on top of that. You, as an individual

customer with some ability to control your load and your use, can tailor your use to the periods of time when electricity might be cheapest and that gives you an advantage in shopping that PPL doesn't have. We're not in a position where we can shop individually for 1.4 million customers. It all goes back to the education center that we've put up and understanding how electricity prices vary with time, day to day, hour to hour and that's fundamentally the reason why should be able to get a better deal than we can get for you. Nevertheless, we have an obligation to provide you a reasonably priced service in case you cannot shop or choose not to shop.

Next question. Can PPL provide consultation for the shopping process? I think I mentioned before that we can provide some consultation services. Things like this webinar that provide how-to, information on our web that provides you tools and information and we have account managers that you can contact to go through that as it might relate to you individually. Fundamentally though, we cannot act as your consultant or intermediary in the process of a purchase. That's not something that the Commission wants us to do and we have to be very careful that in performing a role like that, we could be accused of channeling business and that's not something that we're in the position to do.

Another question. This is the first time I've heard that PPL will only buy in the sixth solicitation for the large customers. The question is so the previous five buys will not impact large customers. Is that correct? And yes, that is correct for large customer accounts. I should caution that if you're a large customer but has the guard house on a separate small account what we would call GS1 or you have a medium size facility that would fit in the GS3 category, those were covered. So, it could be that a number of your accounts were in those solicitations but the largest of the accounts would not be. Those prices may be indicative of the prices that we'll see in the sixth solicitation but the caution is that large customers involve so much risk for wholesale suppliers and their load shapes are so unique that it might not be the best indication.

Another question. Please explain any ancillary charges that may show up on the bill and how they will appear. For Default Service, you won't see separate ancillary charges. If you have more interest in what ancillary charges are, I think we have some Q&A on our website that surrounds information around polar supply but also the PJM's website covers things like black start capability, voltage support and other ancillary services that are really a very small part, but an essential part, of your electricity bill. As I've said when we bid for electricity in any of our solicitations, we're seeking a bundled product and we're seeking a single cent per kilowatt hour value that we can post to customers at their price of electricity. So, we have not even asked our bidders to break out the components of their pricing.

And the final question I have here is from somebody who knows a little bit more about capacity than the average customer. It says how will PLC days, and that's Peak Load Contribution days, affect our electricity costs in 2010? I think I spoke to this issue in answer to another question about how demand shows up in the bill. PLC continues to exist and suppliers will need, competitive suppliers, will need to post capacity at PJM to

satisfy the capacity obligation of the customers they serve. So any individual customers, PLC will affect the pricing that you get from the competitive supplier. However, it will not show up as a specific bill component and for PPL default service purposes, it's already built into the bid price. You will need to talk to competitive suppliers about how your PLC and ability to control it would affect the pricing that they can offer to you.

I believe we're coming up on 12:00 and I believe I've answered all the questions that we've thus far received. Again, thank you for your patience. You're probably getting tired of hearing that. We thank you for your participation. I hope you understand that we take this process very seriously and we're working hard to try to develop for you tools that will help you through this process. Let me turn you over to Don for some final housekeeping matters.

Don: Thanks, Doug, and thanks again, you, our large power customers for your patience, your interest and your questions regarding our Customer Choice 101 webinar today. On behalf of PPL Electric Utilities, I hope you found the material and resource information very useful. Don't forget to give us your input via our short survey. A link to that survey is in my E-mail that I sent out to you this morning around 11:00 a.m. along with the full set of slides to today's session. Thank you again and have a great afternoon.