



PPL Electric Utilities

## New option lets you delay portion of 2010 price increase

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If you're a homeowner, renter, mid-sized business or even a small business that uses a lot of electricity, you now have another option for spreading out higher electricity supply prices in 2010.

Our new deferral option, approved by the Pennsylvania Public Utility Commission, lets you adjust gradually to the higher cost of electricity generation when rate caps that have been in place for more than a decade expire at the end of this year. If you sign up, the option will limit your increase in 2010. You defer some of the charges you would otherwise pay in 2010 and pay them back later, plus interest, on top of your full bill.

Because of the interest payments, if you choose this option, you'll end up paying more in the long run. Please consider this fact in deciding whether the deferral option is right for you. Deferred payments are, in effect, a loan to customers. If you participate, we must pay suppliers what you defer in 2010. To do this, we will borrow money and pay interest to creditors.

### ○ Why we're offering the plan

Customers will see higher generation prices beginning in 2010 because rate caps that have kept generation charges at 1990s levels for more than a decade will expire Dec. 31, 2009.

We've already sought competitive offers from electricity suppliers to obtain power for 2010. We awarded contracts to the lowest bidders and will pass their prices through to you without profit if you opt to receive default electricity supply from PPL Electric Utilities. You may choose an alternative electricity supplier. If you do, you will pay your supplier's generation charge.

Based on the contracts we have signed for 2010 electricity supply, we estimate that total monthly bills for the average residential customer could increase by 30 percent. Your actual increase will depend on your rate schedule and electricity use.

We know this change will be difficult. We offer you options for managing your electricity costs.

### ○ Who is eligible

Residential customers are eligible, with the exception of those who are in the special OnTrack payment program. Businesses on rate schedules GS-1(limited), GS-3, GH-1 and GH-2 are eligible. You may not be enrolled in both our Phase-In Option and Deferral Option at the same time.

Eligible customers may enroll in the deferral option even if they buy their electricity from an alternative supplier.

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## ○ How the deferral option works

If you sign up, your increase in 2010 will be no more than 25 percent. You will defer paying any portion of the increase that exceeds 25 percent. In 2011, you will pay the full amount of your regular bill. You also will pay the deferred charges back, plus 6 percent interest. Most customers will pay back the deferred amount over one year, but some customers who use large amounts of electricity will pay back deferred amounts over two years.

Deferred amounts will appear as a credit on your electric bill. Repayments will appear as a charge on your electric bill. The credits and charges are fixed amounts, based on a schedule that PPL Electric Utilities has developed for each eligible class of customers. (The table below shows the deferral amounts for customers on our standard residential rate schedule.)

To learn what your deferral and repayment amounts would be, visit [www.pplelectric.com/deferraloption](http://www.pplelectric.com/deferraloption) or call 1-866-597-2010 weekdays from 8 a.m. to 5 p.m.

Rate Schedules RS, RTD	2010	2011	2012
Average monthly usage (kilowatt-hours)	Deferral credit on your bill	Deferral charge on your bill	
0 – 300	—	—	—
301 – 800	(\$1.89)	\$2.01	—
801 – 1,200	(\$8.55)	\$9.08	—
1,201 – 2,000	(\$19.69)	\$20.91	—
2,001 – 3,000	(\$36.41)	\$38.65	—
3,001 and above	(\$54.99)	\$48.63	\$10.35

## ○ How to sign up

Enroll online at [www.pplelectric.com](http://www.pplelectric.com) or call 1-866-597-2010. The deadline to enroll is Dec. 15, 2009.

## ○ Leaving the plan

You may leave the plan at any time by calling 1-800-342-5775. If you leave the plan before repaying the entire deferred amount, PPL Electric Utilities will add the remaining amount that you owe, plus interest, to your next bill (or your last bill if you are closing your account).

## ○ Other steps that can help

The deferral option can help you adjust gradually to higher prices in 2010. But taking steps now to save energy can help you offset some or all of the increase you might otherwise see from higher prices. And it can help you control your costs for years to come.

PPL Electric Utilities offers tools online to assist you. Visit our Energy Analyzer at [www.pplelectric.com](http://www.pplelectric.com) and complete a home profile for tips to save. Shop online at the “e” Store, an independently run store that offers our customers 20 percent off hundreds of energy-efficient products. Or check out our favorite energy efficiency videos.

Watch for future announcements about PPL programs that may help. We’ve proposed to the PUC more than a dozen new energy efficiency programs to help customers save 1.3 billion kilowatt-hours of electricity a year. This includes rebates for energy-efficient products, special rate options and more. Stay tuned for more information later this year.

In addition, you may be able to reduce costs by choosing an alternative electricity supplier. To learn more, visit the PUC’s Web site, or access the Pennsylvania Office of Consumer Advocate’s Electric Shopping Guide at [www.oca.state.pa.us](http://www.oca.state.pa.us).