

Notice of Rate Changes for 2010

The Pennsylvania Public Utility Commission (PUC) has approved changes in PPL Electric Utilities' rates effective Jan. 1, 2010. The changes for a residential customer on our standard rate schedule (Rate Schedule RS) include:

- An increase in the generation charge portion of your bill. This increase reflects the higher cost of electricity that we must purchase for you in 2010 if you do not choose a competitive supplier. We do not profit from these charges.
- The elimination of the transition charge. The transition charge had applied from 1999 through 2009 and allowed PPL Electric Utilities to recover a portion of the cost of investments made in power plants when electricity was fully regulated.
- A refund of transition charges to balance what we collected through 2009 with what we were allowed to collect as part of an agreement approved by the PUC. This refund will be spread over 12 months in 2010.
- A decrease in transmission charges from 0.752 cents per kilowatt-hour to 0.316 cents per kilowatt-hour to reflect, in part, transmission rate changes approved by the Federal Energy Regulatory Commission.
- An increase in distribution charges to reflect the net effect of an increase in the Universal

Service Rider, a shift of some expenses from distribution to generation charges (covers the cost of generation revenue that is not collected when customers default on electric bills), recovery of costs associated with new Act 129 energy efficiency programs, and the elimination of two additional riders.

- An increase in the Pennsylvania State Tax Adjustment Surcharge from negative 0.064 percent to 0.103 percent for distribution charges and a decrease from 0.013 percent to a negative 0.014 percent for all other charges on your bill.

The effect of these changes on your total electric bill depends on your rate schedule and the amount of electricity you use. As a result of these changes, the monthly bill for a residential customer on Rate Schedule RS using 500 kilowatt-hours will increase from \$58.97 to \$73.26, or by 24.2 percent. The monthly bill for a residential customer on Rate Schedule RS using 1,000 kilowatt-hours will increase from \$106.08 to \$137.34, or by 29.5 percent. This increase may be less for customers who choose a competitive supplier.

The monthly bill for a business customer on Rate Schedule GS-1 who uses 1,000 kilowatt-hours of electricity will increase from \$117.83 to \$141.23, or by 19.9 percent.

These changes apply only to the electricity you used after Dec. 31, 2009. Your January bill reflects a partial effect of the new rates. For more information, customers may call 1-800-342-5775.



PPL Electric Utilities