

# New rates for PPL Electric Utilities customers



The Pennsylvania Public Utility Commission recently approved changes in PPL Electric Utilities' rates. The changes highlighted in this notice were effective Jan. 1 and affect each portion of your electric bill.

While each component of the bill is changing, total bills will remain about the same for residential customers who receive generation supply from PPL Electric Utilities. Many businesses could see their total bills decline.



## Distribution to increase for some customers

Distribution charges increased for residential customers, adding a little over 20 cents a day for the average residential customer.

The increase will help us keep reliability strong. It allows us to recover the cost of about \$725 million in distribution system improvements made over the past three years. In addition, it better positions us to make continued improvements moving forward.

It also includes additional funding for programs that assist customers in need, and a small amount for pilot programs to explore metering capabilities that may benefit customers.

Business customers will pay, on average, about the same for distribution as in 2010.

Distribution represents about 31 percent of the average residential customer's bill in 2011. It covers our cost of delivering electricity from the substation in your community to your home.

Our distribution charges apply whether you shop for electricity supply or not. This is because we remain your delivery company even if you switch to another supplier.

### What else is new for distribution?

- For residential customers, while the monthly customer charge remains, we've replaced tiered pricing for distribution with a flat usage charge. Now, every kilowatt-hour you use, whether it's the 200th or 1,000th, will cost the same.
- Distribution charges for both small and mid-sized businesses will include two components: a customer charge and a demand charge. Monthly minimum demand charges and usage rates will not apply to future bills.

## Transmission charges

The transmission charge decreased for residential customers and increased slightly for business customers.

Transmission charges cover the cost of moving power from power plants to local communities. Those costs and their recovery are approved by the Federal Energy Regulatory Commission. The rate PPL

Electric Utilities charges customers in order to recover those costs is approved by the Pennsylvania Public Utility Commission.

Transmission is less than 1 percent of the typical electric bill. The average residential customer currently pays about 3 cents a day for transmission.

If you shop, PPL Electric Utilities no longer charges you for transmission. Your supplier charges you for transmission costs.

## Generation charges drop

Our generation supply charges for residential and small-business customers dropped beginning Jan. 1. The decrease comes as PPL Electric Utilities passes on the lower cost of purchasing power for the new year.

While PPL Electric Utilities is strictly an electric delivery company, state law requires that we buy power for you if you don't choose a supplier. We pass on the costs to you without profit. Some of this power supply comes from renewable sources.

If you shop for electricity supply and switch to another supplier, you will pay your supplier's price for these services.

Generation covers the cost of making electricity. In our case, it covers our cost to buy it for you from many suppliers. Generation now accounts for about 68 percent of the typical bill for a residential customer who receives generation supply from us.

## Transition charges end

The "transition" portion of your electric bill has expired.

The transition piece of your electric bill was in place for the past decade and was part of the transition to competitive markets for generation supply.

It will no longer appear on your electric bills moving forward.

For additional details regarding our rates, view a copy of our electric tariff at [www.pplelectric.com](http://www.pplelectric.com). Access the electric tariff via our "Quick Links" menu.

## Overall bills in 2011

Rate schedule	Usage	2010 monthly bill	2011 monthly bill
Residential RS	500 kwh	\$71-74*	\$72
Residential RS	1,000 kwh	\$134-140*	\$134
Residential RS	2,000 kwh	\$258-269*	\$260
Residential RS	3,000 kwh	\$381-398*	\$386
Commercial GS1	1,000 kwh 3 kw demand	\$139-141**	\$128
Commercial GS3	10,000 kwh 40 kw demand	\$1,258-1,269**	\$1,217
Industrial LP4	150,000 kwh 500 kw demand	\$1,383***	\$1,457***

\*Residential bills in 2010 fluctuated as a temporary credit varied throughout the year.  
\*\*Small-business bills in 2010 fluctuated as a temporary charge varied throughout the year.  
\*\*\*LP4 comparisons are for distribution only. Generation prices for most large industrial customers who do not select a supplier reflect hourly market pricing and are not known in advance.

## Price to compare set for Jan. 1 through May 31

The "price to compare" dropped by about a penny per kilowatt-hour for residential customers – slightly less for business customers – beginning Jan. 1.

The price to compare is an important number to help customers shop for electricity supply. It's the price you pay PPL Electric Utilities for generation and transmission combined if you don't choose another generation supplier. If competitive suppliers offer a price that's less than our price to compare, you can save by switching.

The company's price to compare for residential customers dropped from 10.4 cents per kilowatt-hour to 9.3 cents per kilowatt-hour for the first five months of 2011. The "price to compare" for small businesses dropped from 10.4 to 9.8 cents per kilowatt-hour.

These prices will then change again June 1, 2011, and every three months after that to reflect quarterly power purchases.

To compare supplier offers to our price to compare, visit [papowerswitch.com](http://papowerswitch.com) or call the Pennsylvania Office of Consumer Advocate at 1-800-692-7380.