

PPL Electric Utilities' Generation Rate for Non-Shopping Customers to Increase June 1

PPL Electric Utilities

The rates that PPL Electric Utilities passes along to customers who don't select an alternative energy supply will increase June 1 based on a filing submitted Friday (5/18) with the state Public Utility Commission. The new rates affect only residential and small-commercial customers on the utility's default supply service.

The updated rates reflect higher supply portfolio costs that include projected market costs for the next three months when demand for electricity generally peaks across the region. It also reflects an annual update to transmission rates, which are set by the Federal Energy Regulatory Commission and are updated every June 1.

New prices to compare

The new price to compare for residential customers will be 7.993 cents per kilowatt-hour, up from 6.935 cents per kilowatt-hour currently.

This price applies to residential customers who have not chosen an alternative supplier and receive "default" supply service from PPL Electric Utilities. The price to compare includes generation and transmission services, which combined make up about two-thirds of the typical residential monthly bill. It does not include distribution charges, which apply to all customers and cover the company's costs to deliver power and provide customer service.

For small-business customers, the new price to compare will be 9.154 cents per kilowatt-hour, compared with 6.387 cents per kilowatt-hour currently.

A full list of PPL Electric Utilities' new rates for all rate classes can be found at www.pplelectric.com/choice.

In addition to higher summer supply costs, the price to compare for small-business customers reflects the expiration of a refund associated with an overcollection of revenue during a prior period.

The new price to compare also reflects updates to the Transmission Service Charge, which recovers the transmission charges set by FERC. The transmission charge will decrease slightly for residential customers and increase for small-business customers for the 12 months beginning June 1. Transmission costs make up a small portion of the typical customer's monthly bill.

PPL Electric Utilities adjusts its generation rates and price to compare for shopping purposes every three months to reflect the cost of power purchases and adjustments based on customer use in the prior period. The generation rate for large industrial customers is based on hourly market prices. The company's generation rates change March 1, June 1, Sept. 1 and Dec. 1 each year, similar to other utilities in Pennsylvania.

Customer choice

The increase in PPL Electric Utilities' price to compare means customers may be able to save on power supply costs by comparing the new price to compare with offers from alternative suppliers.

A list of state-licensed suppliers and their offer prices are available from the PUC's website, www.PAPowerSwitch.com. More than 30 suppliers are currently serving the residential market in PPL Electric Utilities' service area.

"Alternative suppliers can offer options that PPL Electric Utilities does not, such as the ability to lock in a price for a longer term," said Dennis Urban, senior director of Rates and Regulatory Affairs for the utility. "We encourage all customers to look at available offers from alternative suppliers, weigh the terms and conditions, and choose what is best for them."

More than 580,200 PPL Electric Utilities customers, or about 41 percent of customers, are obtaining their power from other suppliers. More than 76 percent of the energy delivered by PPL Electric Utilities comes from alternative suppliers, including almost all power used by large commercial and industrial customers.

The utility does not receive any profit on the generation portion of customers' bills. It merely passes along the cost of that supply, which is purchased on the wholesale market to customers without markup. PPL Electric Utilities' primary focus is on electric delivery, billing and customer service.

PPL Electric Utilities, a subsidiary of PPL Corporation (NYSE: PPL), provides electric delivery services to about 1.4 million customers in Pennsylvania and has consistently ranked among the best companies for customer service in the United States. More information is available at www.pplelectric.com.

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