

PPL Electric Utilities Files New Default Service Electricity Purchase Plan

PPL Electric Utilities

PPL Electric Utilities on Friday (4/18) filed a plan with the Pennsylvania Public Utility Commission to purchase electricity for default customers from June 1, 2015, through May 31, 2017. Default customers are those who do not choose to buy generation supply and transmission service from a competitive electricity supplier.

State law requires all electric utilities to provide electric supply to customers who do not choose a competitive electricity supplier. PPL Electric Utilities encourages customers to seek opportunities to save on power supply costs by shopping for deals with competitive electricity suppliers.

The main difference between the proposed default service purchase plan and the current one is how often the price to compare is adjusted. The price to compare is the price customers pay for generation and transmission if they don't choose a competitive electricity supplier.

Under the proposed plan, the price to compare would be updated twice a year, which will provide customers more certainty around shopping and provide retail suppliers with more time and flexibility in creating pricing programs to encourage customers to shop.

PPL Electric Utilities currently updates its price to compare on a quarterly basis – March 1, June 1, Sept. 1 and Dec. 1 each year.

In its proposed plan, PPL Electric Utilities would continue to buy electricity for its non-shopping customers twice a year. It would also continue to solicit a portfolio of laddered contracts. These contracts represent a prudent mixture of short-term (under 12 months) and long-term (one year or longer) contracts and spot market purchases.

PPL Electric Utilities currently has contracts with several wholesale generation suppliers for supply for default customers. The company does not profit on the generation portion of customers' bills. It passes along the cost of that supply to non-shopping customers without markup.

The company's plan must be reviewed and approved by the PUC. A decision is expected in early 2015.

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

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