

PPL Filing Seeks Approval of Agreement With New England ISO

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As the result of a determination by the New England Independent System Operator that PPL's Wallingford, Conn., power plant must be available to produce electricity when needed, the company Thursday (1/16) asked the Federal Energy Regulatory Commission to approve an agreement that would change the way the company prices the plant's electricity.

PPL is asking FERC to approve a PPL agreement with ISO-NE under which the ISO would pay cost-of-service rates for electricity generated at four of the five units at the 225-megawatt Wallingford facility. The filing stems from an ISO-NE determination that the Wallingford station is a facility that must be available to operate during periods of high demand in Connecticut. ISO-NE rules permit must-run units to receive cost-based rates under these circumstances.

"It is our objective to ensure that these units are available to provide needed electricity to Connecticut at times of high demand," said Paul T. Champagne, president of PPL EnergyPlus, PPL's electricity marketing company.

"Because of the transmission constraints, current market conditions in Connecticut and existing price mitigation measures, ISO New England has determined that our plant must be ready to supply power, when the ISO calls upon it," said Champagne. "Most often, this will happen in very high-demand, or peak times, although the plant contributes to reliability all the time. Under ISO-NE rules, plants in such a situation qualify for cost-based rate treatment."

PPL is asking that the new rates go into effect Feb. 1, 2003.
ISO-NE supports PPL's status as a must-run unit.

"ISO-NE has determined that, absent any transmission improvement or new resources, largely all of the existing resources in Connecticut are needed for reliability, including the PPL Wallingford units," the ISO said in a letter that was filed with FERC on Thursday.

The ISO also said that, subject to any changes ordered by FERC, the ISO will sign a must-run agreement with PPL similar to a draft that also is included with the filing. Under that agreement, ISO-NE can cancel the arrangement, in whole or part, if ISO-NE no longer believes the Wallingford units are essential for reliability of regional power supplies.

PPL is including only four of the five units in the request to FERC because one of the units is under contract to a wholesale customer in New England.

PPL controls and markets more than 11,500 megawatts of electricity generating capacity in the United States. Wallingford is its only Connecticut facility. PPL companies also deliver electricity to more than 4.5 million customers in the United States, the United Kingdom, Chile, Bolivia and El Salvador.

SOURCE: PPL Corporation

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