

PPL Electric Utilities Signs Contract for Federal Smart Grid Grant

Key milestone for high-tech project to strengthen reliability for customers

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PPL Electric Utilities has finalized a contract with the U.S. Department of Energy for a \$19 million matching smart grid grant that will help the company improve electric service reliability for more than 60,000 Harrisburg area customers.

It's a key step in the company's \$38 million PPL Smart Grid project. PPL Electric Utilities is partnering with Drexel University and technology leaders GE Energy, Lockheed Martin and Alcatel-Lucent on the two-year project.

The company will install hundreds of automated electrical devices across 150 square miles of Dauphin and Cumberland counties in south-central Pennsylvania. The devices will be connected to a dedicated high-speed communications network and a centralized distribution management system.

"The technology investments will create an electricity delivery system that operates more efficiently, recognizes problems immediately and responds within seconds to get the lights back on for many customers who would otherwise have to wait minutes or hours," said David G. DeCampi, president of PPL Electric Utilities.

"This will modernize our delivery system in the project area by leaps and bounds and also provide benefits elsewhere," DeCampi said. "Most importantly, it will strengthen reliability and help customers save energy and money."

The engineering work as part of the project is already well under way, and the company will begin installing new equipment in the coming weeks. GE Energy's distribution management system will act as the brain for the newer, smarter grid. New sensors and automated switches in the field will be in constant communication with the distribution management system, and the system will be able to automatically control those devices in response to changing conditions.

Lockheed Martin is focused on systemwide cyber security. Alcatel-Lucent is focused on wireless communications, as well as implementation and management of a high-speed fiber-optic communications infrastructure. And Drexel University will be assisting with design and best placement of the newer, smarter devices that are being added.

Unlike many smart grid projects proposed around the country that focus almost exclusively on metering, PPL Electric Utilities' project is focused on making the system "smart" - and more reliable - from the substation to the customer's meter. The company's customers already have advanced meters that track hourly usage , provide it to PPL over power lines, and allow customers to view it via the Web.

The new network will operate more efficiently than today's delivery system, enabling customer appliances in the project area to use less electricity to operate. It also will help the company better integrate more dispersed, smaller customer-based generation facilities into PPL Electric Utilities' delivery system as the popularity of wind, solar and other intermittent power sources grows.

The centralized computer system will help the company more effectively manage outages across the company's 29-county service territory, speeding power restoration. In addition, it will give planners more detailed information about electricity usage and load on different utility equipment so that they can better plan reliability improvements and prioritize investments.

"It's opening the door to possibilities that just don't exist on today's delivery system, and it's part of our expanded investments in new technology where it's cost-effective and where it improves service for those who count on us each day," DeCampi said.

PPL Electric Utilities' project was one of 100 to receive smart grid grants from the U.S. Department of Energy. DOE evaluated more than 500 proposals submitted from across the country for stimulus grants.

The initial implementation of smart grid technology this year is part of PPL Electric Utilities' \$410 million capital investment program in 2010. The expanded capital program aims to modernize, upgrade and maintain the company's transmission and distribution system to ensure strong service reliability, meet customer needs and improve operations.

PPL Electric Utilities, a subsidiary of PPL Corporation (NYSE: PPL), provides electric delivery service to 1.4 million customers in 29 counties of eastern and central 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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