

# **PPL Electric Utilities Plans \$450 Million in 2011 Capital Investments in its Delivery Systems to Strengthen Aging Infrastructure and Improve Reliability**

## **PPL Electric Utilities**

PPL Electric Utilities plans more than \$450 million in capital investments this year in its transmission and distribution system to improve reliability, strengthen its aging infrastructure, and upgrade facilities in certain areas due to increased demand. The investments also include facilities to serve new customers and technology upgrades to support improved electric operations and customer service.

The funding for capital improvements this year is about 7 percent more than last year and 35 percent more than in 2009.

"We are embarking on a new era in terms of rebuilding and modernizing our electric delivery system to ensure we can keep reliability strong for customers today and in the years to come," said David G. DeCampli, president of PPL Electric Utilities. "We'll continue comprehensive programs to maintain and improve reliability, while investing substantially to replace our aging infrastructure and upgrade system facilities across our Pennsylvania territory.

"This ramp-up in capital investments is part of PPL's strong commitment to reliable service, meeting the needs and expectations of our customers, and supporting the region's economic development," said DeCampli.

DeCampli noted that the capital program also means hundreds of full-time jobs for electrical construction contractors and engineering support.

The largest portion of the 2011 capital program -- \$130 million -- is allocated to transmission, substation and distribution projects needed to provide additional distribution capacity to meet increased electric usage in certain areas across the service area. Plans include about three dozen transmission and substation projects and 60 distribution system improvements -- many of which are multiyear undertakings -- to benefit local customers. The largest is a new Copperstone transmission substation in central Dauphin County, a two-year, \$18.5 million project.

An additional \$80 million is set aside for the company's modernization program, which includes:

- Replacement of five transmission lines on the company's transmission system over the next four years; the lines represent some of the earliest high-voltage power lines built in Pennsylvania.
- Proactive replacement of 400 transmission poles and towers.
- Replacement of 100 older bulk power circuit breakers, and transformers and other critical components at substations.
- Reinforcement of underground manholes, vaults, utility poles, cable and other distribution equipment across the system.

These planned improvements are designed to proactively replace key parts of the electric system based on age, condition and system performance, DeCampli said, noting an increasing share of the utility's electrical equipment is nearing the end of its expected life.

The infrastructure improvements come after an extensive systemwide study that was completed in early 2009 and indicated a need for long-term additional funding for system modernization. The study showed a large share of the company's utility facilities were installed in the 1960s and 1970s during increasing suburbanization and more common use of air conditioning and other electric appliances.

Other notable aspects of the 2011 capital program include:

- \$60 million for facilities to serve new residential, commercial and industrial customers, such as extending distribution lines or installing new circuits.
- \$29 million for company facilities, including a new operations and data center to be built in the Lehigh Valley.
- \$23 million for technology, such as a new work and asset management system, upgrades to the customer information management system, automated metering and smart meter initiatives, and a number of customer communications initiatives.

Also, the plan includes the multiyear PPL Smart Grid project that has received federal stimulus grant support. Focused initially in Dauphin and Cumberland counties, the \$38 million project deploys technology that will improve operations, increase electric reliability for customers, boost power quality and enhance energy efficiency efforts, and support distributed generation and other advancements.

It also includes a new distribution management system (the "brains" of the delivery system) that will benefit the entire PPL service area, as well as a dedicated and secure, high-speed communications network that supports deployment of distribution automation around the city of Harrisburg.

Additional details about PPL Electric Utilities' reliability programs, major projects and system improvements will soon be available on [www.pplreliablepower.com](http://www.pplreliablepower.com).

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](http://www.pplelectric.com).

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