



## **What We All Need to Know About in an Environment of High Electricity Costs**

by Steph Raymond, President, PPL Electric Utilities

We've all experienced increased costs across virtually every aspect of our daily lives, from food and other goods at the supermarket, to the gas pump, and to a range of basic services. Electricity prices have certainly been no exception, as they too have increased significantly over the past two years, impacting consumers nationwide, including our neighbors, families and friends here in Pennsylvania. They're a prime focus of our company, PPL Electric Utilities.

PPL Electric doesn't generate electricity or control the price of electricity supply. Rather, we are responsible for delivering electricity and maintaining the delivery network, such as the poles, wires and transformers that allow us to provide more than 1.4 million homes and businesses in eastern and central Pennsylvania with safe and reliable power. With nearly 2,000 employees in the state who are also customers, we understand the challenge of higher electricity prices.

When our company experienced a technical issue in December that temporarily prevented our billing system from accessing meter data, creating confusion among our customers about their bills, the cost of electricity was thrust into the spotlight. This experience has heightened our commitment to supporting our customers in navigating today's challenging energy environment.

There isn't a single, simple explanation for what has caused the increase in electricity prices. Geopolitical issues, supply constraints, inflation and other market forces have all been major contributors to higher energy prices overall. In this environment of high prices, customers need to be extra vigilant that they are not paying more than they need to for their electricity supply.

All Pennsylvania residents, including our customers, are able to "shop" for the lowest electricity supply price on the market by comparing competing offers from suppliers. Or they can rely on their utility to buy electricity for them, which is what approximately 60% of our customers do. We purchase electricity on the open market in accordance with the state Public Utility Commission's (PUC) approved processes and pass on the price we pay without markup or profit for us.

What is clear from our vantage point in the electricity system is that many of our shopping residential and small-business customers are actually, and unnecessarily, paying more than PPL Electric's Price to Compare default rate, with some even paying more than double that rate. Bottom line: If you are currently paying more than PPL Electric's Price to Compare of 14.6 cents per kilowatt-hour, you're paying more than you need to.

We strongly encourage all customers to seek out the best deal for their electricity supply through resources like [PAPowerSwitch.com](http://PAPowerSwitch.com), which is managed by the Pennsylvania PUC and allows customers to compare supplier offers. Customers can currently find supplier plans that are even

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cheaper than PPL Electric's Price to Compare on PAPowerSwitch.com. In selecting their electricity supplier, customers must be vigilant to fully understand supplier offers and the choices they are making. For tips on shopping and analyzing their electric bill, customers can visit [www.pplelectric.com/billquestions](http://www.pplelectric.com/billquestions).

In particular, customers should be diligent in understanding teaser rates and variable rate offers, as well as how fixed-price offers may change once the customer's contract term expires, to avoid any unwelcome surprises. It's also essential that customers carefully review the terms and conditions of their supply contracts before moving forward with a supplier. This vigilance includes understanding the contract term, any associated cancellation fees and other conditions that may apply.

In support of our customers' best interests, PPL Electric has been a vocal advocate for reform in the retail market for energy suppliers and crafted legislation to increase transparency by suppliers to eliminate or reduce the risk of price gouging for our customers. In fact, my predecessor testified before the state legislature in March 2021 on this important topic. In this time of high electricity prices, we will continue to work with the legislature toward adoption of such safeguards against deceptive marketing and pricing practices for our customers.

Until then, we will continue to be there for our customers to help them afford and pay their electric bills.

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